

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

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**In the Matter of:**

DEC 02 2005

**ADA MAE CLEM**

PUBLIC SERVICE  
COMMISSION

**COMPLAINANT**

**v.**

**CASE NO. 2004-00499**

**KENTUCKY UTILITIES COMPANY**

**DEFENDANT**

**JOINT STIPULATION AND AGREEMENT**

**WHEREAS**, Kentucky Utilities Company (“KU”) is a public utility subject to jurisdiction of the Kentucky Public Service Commission (“Commission”) pursuant to KRS Chapter 278;

**WHEREAS**, on December 1, 2004, Ms. Clem filed a formal complaint with the Commission alleging that she should not be responsible for the charges associated with the meter tampering which occurred on her property;

**WHEREAS**, on December 15, 2004, the Commission entered an Order initiating Case No. 2004-00499, styled *In the Matter of: Ada Mae Clem v. Kentucky Utilities Company*, and ordering KU to satisfy the matters complained of or file a written answer to the Complaint;

**WHEREAS**, on December 28, 2004, KU by counsel, filed its Answer to Ms. Clem’s Complaint;

**WHEREAS**, Commonwealth of Kentucky, ex. rel Gregory Stumbo, Attorney General, by and through the Office of Rate Intervention (“AG”) filed a motion for full intervention into this proceeding on January 14, 2005, and such motion was granted by the Commission on January 20, 2005;

**WHEREAS**, on October 25, 2005, KU, the AG, and others, in conjunction with the Commission Staff, participated in an informal conference at the offices of the Commission in which all issues were discussed; and,

**WHEREAS**, KU, the AG, and Ms. Clem (the “Parties”) wish to facilitate the disposition of this proceeding through the submission of a Joint Stipulation and Agreement; and,

**NOW THEREFORE**, pursuant to 807 KAR 5:001, Section 4(6), the Parties hereby stipulate and agree as follows:

(1) The Parties agree that the application of KU’s tariff, which became effective on July 1, 2004 and requires KU to hold the property owner responsible for any consumption and the Company’s property and service in the absence of an active account, may cause an unjust or unreasonable result in certain circumstances. In an effort to resolve this Complaint, and subject to the Commission’s approval, KU agrees to discontinue pursuit of collection of all the charges associated with meter tampering from Ms. Clem during the time period at issue, and to request approval of certain changes to the “Protection of Company’s Property” sections of the Terms and Conditions contained in its tariff at Original Sheet No. 82.1. A copy of the revised tariff is attached hereto as Exhibit A. In exchange, Ms. Clem agrees to ask the Commission to dismiss her Complaint against KU. The AG agrees to recommend that this case be dismissed by the Commission as settled, and that the revised tariff be approved.

(2) This Joint Stipulation and Agreement is subject to the acceptance of and approval by the Commission. Following the execution of this Joint Stipulation and Agreement, the Parties shall file it with the Commission and shall act in good faith and use their best efforts to recommend to the Commission that this Joint Stipulation and Agreement be accepted and approved.

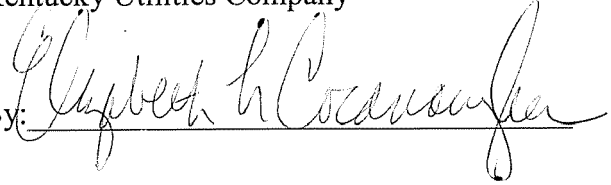
(3) If the Commission does not accept and approve this Joint Stipulation and Agreement in its entirety, then: (a) this Joint Stipulation and Agreement shall be null, void and withdrawn by the Parties hereto from further consideration by the Commission and none of the Parties shall be bound by any of the provisions herein; and (b) this proceeding shall go forward and neither the terms of this Joint Stipulation and Agreement nor any matters raised during the settlement negotiations shall be binding on any of the Parties to this Joint Stipulation and Agreement or be construed against any of the signatories.

(4) This Joint Stipulation and Agreement reflects a compromise resolution of a contested matter. Nothing contained herein shall be construed as an admission of a violation of any federal or state statute or regulation, or of any provision of KU's tariffs; nor shall the Commission's acceptance of this Joint Stipulation and Agreement be construed as a finding of a violation of any statute or regulation, or of any provision of KU's tariffs.

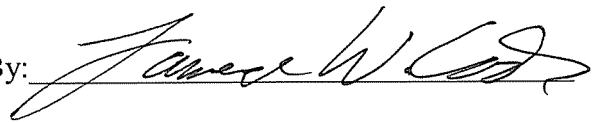
IN WITNESS WHEREOF, the parties hereto have hereunto affixed their signatures this

21 day of December, 2005.

Kentucky Utilities Company

By: 

Commonwealth of Kentucky, ex rel. Gregory  
Stumbo, Attorney General, by and through the  
Office of Rate Intervention

By: 

Ada Mae Clem

By: 