

TERMS AND CONDITIONS OF SERVICE (Cont'd)

B. AVERAGE MONTHLY PAYMENT PLAN (AMP) (CONT'D).

The difference between the actual billings and the AMP Plan billings will be carried in a deferred balance. Both the debit and credit differences will accumulate in the deferred balance for the duration of the AMP Plan year, which is twelve consecutive billings months. At the end of the AMP Plan year (anniversary month), the current month's billing plus the eleven (11) preceding month's billing is summed and divided by the total billing days associated with the billings to determine a per day average. That result is multiplied by thirty (30) to calculate the AMP Plan's monthly payment amount. In addition, the net accumulated deferred balance is divided by 12. This result is added or subtracted to the calculated average payment amount starting with the next billing of the new AMP plan year and will be used in the average payment amount calculation for the remaining AMP plan year. Settlement occurs only when participation in the AMP Plan is terminated. This happens if any account is final billed, if the customer requests termination, or at the Company's discretion when the customer fails to make two or more consecutive monthly payments on an account by the due date. The deferred balance (debit or credit) is then applied to the billing now due.

In such instances where sufficient billing history is not available, an AMP Plan may be established by using the actual billing history available throughout the first AMP Plan year.

C. ALL PAYMENTS.

All bills are payable at the business offices or authorized collection agencies of the Company within the time limits specified in the tariff. Failure to receive a bill will not entitle a Customer to any discount or to the remission of any charges for non-payment within the time specified. The word "month" as used herein and in the tariffs is hereby defined to be the elapsed time between 2 successive meter readings approximately 30 days apart.

In the event of the stoppage of or the failure of any meter to register the full amount of energy consumed, the Customer will be billed for the period based on an estimated consumption of energy in a similar period of like use.

The tariffs of the Company are net if the account of the Customer is paid within the time limit specified in the tariff applicable to the Customer's service. To discourage delinquency and encourage prompt payment within the specified time limit, certain tariffs contain a delayed payment charge, which may be added in accordance with the tariff under which service is provided. Any one delayed payment charge billed against the Customer for non-payment of bill or any one forfeited discount applied against the Customer for non-payment of bill may be remitted, provided the Customer's previous accounts are paid in full and provided no delayed payment charge or forfeited discount has been remitted under this clause during the preceding 6 months.

6. UNDERGROUND SERVICE.

When a real estate developer desires an underground distribution system within the property which he is developing or when a Customer desires an underground service, the real estate developer or the Customer, as the case may be, shall pay the Company the difference between the anticipated cost of the underground facilities so requested and the cost of the overhead facilities which would ordinarily be installed in accordance with 807 KAR 5:041, Section 21, and the Company's underground service plan as filed with the Public Service Commission. Upon receipt of payment, the Company will install the underground facilities and will own, operate and maintain the same.

7. COMPANY'S LIABILITY.

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but does not guarantee uninterrupted service. The Company shall not be liable for damages in case such supply should be interrupted or fail by reason of an event of Force Majeure. Force Majeure consists of an event or circumstance which prevents Company from providing service, which event or circumstance was not anticipated, which is not in the reasonable control of, or the result of negligence of, the Company, and which, by the exercise of due diligence, Company is unable to prevent or avoid or causes to be avoided. Force Majeure events includes act of God, the public enemy, accidents, riots or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, or other facilities of the Company, or extraordinary repairs.

(Cont'd on Sheet No. 2-5)

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KENTUCKY PUBLIC
SERVICE COMMISSION

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

Brent Kirtley

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010 EFFECTIVE
ISSUED BY *E.K. Wagner* E.K. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY 6/29/2010
NAME TITLE ADDRESS PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
Issued by authority of an Order of Public Service Commission in Case No. 2009-00439 dated June 28, 2010

TERMS AND CONDITIONS OF SERVICE (Cont'd)

7. COMPANY'S LIABILITY (Cont'd)

Unless otherwise provided in a contract between the Company and Customer, the point at which service is delivered by Company to Customer, to be known as "delivery point," shall be the point at which the Customer's facilities are connected to the Company's facilities. The metering device is the property of the Company; however, the meter base, connection and grounds and all associated internal parts inside the meter base are customer owned and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of their equipment or occasioned by the energy furnished by the Company beyond the delivery point.

(T)

The Customer shall provide and maintain suitable protective devices on their equipment to prevent any loss, injury or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices. The Company shall not be liable for any damages, whether direct, incidental or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity occasioned by interruptions, fluctuations, or irregularity in the supply of energy.

(T)

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party.

(T)

The Company will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus, which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company.

8. CUSTOMER'S LIABILITY.

In the event of loss or injury to the property of the Company through misuse by, or the negligence of, the Customer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Company by the Customer.

Customers will be responsible for tampering with, interfering with, or breaking of seals of meters, or other equipment of the Company installed on the Customer's premises. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus, which shall be the property of the Company.

The Company shall have the right at all reasonable hours to enter the premises of the Customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of its apparatus and property, and the right of entire removal of the Company's property in the event of the termination of the contract for any cause.

9. EXTENSION OF SERVICE.

The electric facilities of the Company shall be extended or expanded to supply electric service to all residential Customers and small commercial Customers which require single phase line where the installed transformer capacity does not exceed 25 KVA in accordance with 807 KAR 5:041, Section 11.

The electric facilities of the Company shall be extended or expanded to supply electric service to Customers other than those named in the above paragraph when the estimated revenue is sufficient to justify the estimated cost of making such extensions or expansions as set forth below.

(Cont'd on Sheet No. 2-6)

CANCELLED
SEP 01 2014
KENTUCKY PUBLIC SERVICE COMMISSION

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH

Brent Kirtley

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY *E.K. Wagner* E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS
Pursuant to 807 KAR 5:041, SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission in Case No. 2009-0459 dated June 28, 2010