

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. DEPOSITS, (Cont'd.)**

**D. Additional or Supplemental Deposit Requirement**

An additional or supplemental deposit may be required if the Customer does not maintain a satisfactory credit criteria or payment history. If a change in usage or classification of service has occurred, the customer may be required to pay an additional deposit up to 2/12 of the annual usage. The Customer will receive a message on the bill informing the Customer that if the account is not current by the specified date listed an additional or supplement deposit will be charged to the account the next time the account is billed.

1. Satisfactory payment criteria is defined as paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments and having no meter diversion or theft of service.
2. A nonresidential customer does not maintain satisfactory credit criteria when its credit score at any national independent credit rating service falls to a level that is deemed to be vulnerable to nonpayment, including but not limited to: "C" level at Valueline, a "BB+" level at Standard and Poor's or Fitch, "Ba3" at Moody's. If a nonresidential customer is not rated by a national independent credit rating service, its credit may be evaluated by using credit scoring services, public record financial information, or financial scoring and modeling services, and if it is deemed that the customer is vulnerable to nonpayment, a deposit may be required.

**E. Recalculation of Customers Deposit**

When a deposit is held longer than 18 months, the Customer may request that the deposit be recalculated based on the Customer's actual usage. If the amount of deposit on the account differs from the recalculated amount by more than \$10.00 for a residential Customer or 10 percent for a non-residential Customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the Customer's bill. No refund will be made if the Customer's bill is delinquent at the time of the recalculation.

**5. PAYMENTS.**

Bills will be rendered by the Company to the Customer monthly or in accordance with the tariff selected applicable to the Customer's service.

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**A. Equal Payment Plan**

Residential Customers have the option of paying a fixed amount each month under the Company's Equal Payment Plan. The monthly payment amount will be based on one-twelfth of the Customers' estimated annual usage. The payment amount is subject to periodic review and adjustment during the budget year to more accurately reflect actual usage. The normal plan period is 12 months, which may commence in any month.

In the last month of the plan, if the actual usage during the plan period exceeds the amount billed, the Customer will be billed for the balance due. If an overpayment exists, the amount of overpayment will either be refunded to the Customer or credited to the last bill of the period. If a Customer discontinues service with the Company under the Equal Payment Plan, any amounts not yet paid shall become payable immediately.


If a Customer fails to pay bills as rendered under the Equal Payment Plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing, require immediate payment of any deficiency, and require a cash deposit or other guaranty to secure payment of bills.

(Cont'd on Sheet No. 2-4)

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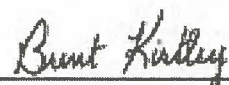
ISSUED BY: JOHN A. ROGNESS III



TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2014-00396 Dated June 22, 2015

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH

EFFECTIVE <b>6/30/2015</b>
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

TERMS AND CONDITIONS OF SERVICE (Cont'd)

19. SPECIAL CHARGES, CONT'D

E. Work performed on Company's Facilities at Customer's Requests

Whenever, at the request and for the benefit of the Customer, work is performed on the Company's facilities, including the relocation, or replacement of the Company's facilities, the Customer shall pay to the Company in advance of the Company undertaking the work the estimated total cost of such work. This cost shall be itemized by major categories and shall include the Company's overheads and shall be credited with the net value of any salvageable material. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the Customer.

Reasonable notice of not less than three working days shall be given to the Company for all requested work except for the covering of the Company's lines. Notice of any request for the Company to cover its lines shall be given at least two days in advance. The Company will endeavor to comply with all timely requests, but work may be delayed because of demands on the Company's personnel and equipment.

If the cost, as calculated above, is \$500 or less for covering the Company's distribution facilities no charge will be imposed. All costs in excess of \$500 for covering the Company's distribution facilities, shall be paid by the Customer, in advance of the Company undertaking the work. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the customer.

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(Cont'd on Sheet No. 2-12)

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JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH  <i>Brent Kirtley</i>
EFFECTIVE <b>6/30/2015</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)