

RULES AND REGULATIONS GOVERNING THE SUPPLY OF ELECTRIC SERVICE

Equalized Monthly Payment Plan

The Company's Equalized Monthly Payment Plan (EMPP) is available to any residential customer and to any small commercial or industrial customer served exclusively under General Service Rate GS. Small business customers must have a minimum of three months of usage history and a zero balance owed on their account(s) to be eligible for EMPP. Under this plan, customers may elect to pay, each month, a budgeted amount in lieu of monthly billings for actual usage. The budgeted amount will be determined by the Company, and under normal circumstances, will be based on one-twelfth of the customer's usage during the most recent twelve months. The budgeted amount will be subject to review and adjustment by the Company. For a customer with less than twelve months of usage at the current address, the initial budget amount will be based on the type of service. Except as provided above, a customer may enroll in the plan at any time.

Every three months a new average bill amount is calculated based on the customer's most recent twelve months usage. If this amount varies from the current budget amount by more than ten percent, it becomes the new budget amount. The customer will be notified of the new budget amount prior to the next billing period.

Each year the Company will calculate the difference between the budgeted amounts over the previous twelve months and the monthly billings based on the customer's actual usage over the same period. One-twelfth of this difference will then be credited or charged to the customer in each of the next twelve monthly billings.

If a customer's account is more than two months past due, the Company will notify the customer that the customer's account may be removed from the plan if payment arrangements are not made. The Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

PUBLIC SERVICE COMMISSION
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BY: Stephan O Bell
SECRETARY OF THE COMMISSION

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Louisville, Kentucky

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