Louisville Gas and Electric Company

TERMS AND CONDITIONS

Budget Payment Plan

Company's Budget Payment Plan is available to residential customers and to small commercial customers served under Rates CGS. Small business customers with combined gas and electric services must be served exclusively under General Service Rate GS for their electric service. Under this plan, a customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove the customer from the plan, restore the customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the Plan for twelve (12) months.

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

DATE OF ISSUE: July 10, 2015

DATE EFFECTIVE: August 1, 2010

ISSUED BY: /s/ Edwin R. Staton, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2009-00549 dated July 30, 2010**