

**TERMS AND CONDITIONS
Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, the Company shall have the right to refuse or discontinue to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce the customer to comply with its rules and then only after the customer has been given at least 10 days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When a customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 14(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred final bills will be subject to the Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 14(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by the customer; (2) the customer and the Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplied to common use facilities within an apartment building) revenue classifications.

CANCELLED
FEB 06 2009
**KENTUCKY PUBLIC
SERVICE COMMISSION**

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/13/2007
PURSUANT TO 807 KAR 5:011
SECTION 10(1)**

**Date of Issue: February 23, 2007
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Issued By

Date Effective: February 13, 2007

John R. McCall
**John R. McCall, Executive Vice President
General Counsel and Corporate Secretary
Louisville, Kentucky**

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2006-00009 dated February 13, 2007

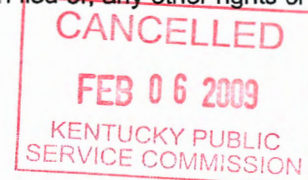
**TERMS AND CONDITIONS
Discontinuance of Service**

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

- H. For non-payment of bills. The Company shall have the right to discontinue service for non-payment of bills after the customer has been given at least ten days written notice, separate from his original bill. Cut-off may be effected not less than 27 days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than 30 days from the original date of discontinuance. The Company shall notify the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. Within twenty-four (24) hours after such termination, the Company shall send written notification to the customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. The Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. The Company shall not be required to restore service until the customer has complied with all rules of the Company and regulations of the Commission and the Company has been reimbursed for the estimated amount of the service rendered and the cost to the Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.



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**John R. McCall, Executive Vice
General Counsel and Corporate Secretary
Louisville, Kentucky**

**PUBLIC SERVICE COMMISSION
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Executive Director

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