TERMS AND CONDITIONS Line Extension Plan

A. AVAILABILITY

In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

B. DEFINITIONS

1) "Company" shall mean Louisville Gas and Electric Company.

2) "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.

3) "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers. service drop, and meters, if required and normally provided to like customers.

4) "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one year and where the intended use is not seasonal, intermittent, or speculative in nature.

"Commission" shall mean the Public Service Commission of Kentucky.

C. GENERAL

1) All extensions of service will be made through the use of overhead facilities except as provided in these rules.

2) Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be

3) Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area service is to be extended into, Customer shall furnish Company the required easement.

4) The title to all extensions, rights-of way, permits, and easements shall be and remain with Company.

5) Where Company is required or elects to construct an additional extension or lateral to serve Customer or another customer, Company reserves the right to connect to any extension was constructed under this plan and Customer shall grant to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property for the additional extension or lateral.

6) Customer must agree in writing to take service when the extension is completed and have his building or other permanent facility wired and ready for connection

7) Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed browned the protection of the construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed browned the protection of the construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed browned the construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed browned the construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed browned the construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed browned the construed as the constru is of such amount and permanency as to warrant such terms and Frence Neddown Cally **EFFECTIVE**

> 2/6/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Date of Issue: February 9, 2009 Date Effective: February 6, 2009

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 106.1

TERMS AND CONDITIONS Line Extension Plan

C. GENERAL (continued)

feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.

 Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment.

9) The Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission.

D. NORMAL LINE EXTENSIONS

 In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA.

2) Where Customer requires poly-phase service or transformer capacity in excess of 25kVA and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in NORMAL LINE EXTENSIONS 1) above.

E. OTHER LINE EXTENSIONS

- 1) In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per customer but Company may require the total cost of the footage in excess of 1,000 feet per customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.
- 2) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
- 3) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional customer connected during that year by a lateral or extension to the original extension for which the deposit was made.
- 4) No refund shall be made for additional customers connected to an extension or lateral from the original extension for which the deposit was made.
- 5) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.
- 6) Where Customer requires poly-phase service or transformer capacity above 25kVA per customer and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in OTHER LINE EXTENSIONS 1) above.

F. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS

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- In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the extension.
- 2) Each year for ten (10) years Company shall refund to Customer Character to Economic to Customer Connected during that year directly for the control extension for which the deposit was made.

3) The total amount refunded shall not exceed the amount originally deposited/2009/shall any refund be made after the ten-year refund period ends.

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SECTION 9 (1)

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TERMS AND CONDITIONS

Line Extension Plan

G. MOBILE HOME LINE EXTENSIONS

- 1) Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Order, dated August 9, 1991, in Case No. 91-213,
- 2) Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.
- 3) Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet the policies set forth in OTHER LINE EXTENSIONS shall apply.
- 4) Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet.
- 5) If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited.
- .6) No refund will be made except to the original customer.

H. UNDERGROUND LINE EXTENSIONS

General

- 1) Company will make underground line extensions for service to new residential customers and subdivisions in accordance with 807 KAR 5:041, Section 21.
- 2) In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract.
- 3) Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development.
- 4) At Company's discretion, Customer may perform a work contribution, to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution.
- 5) Customer will provide, own, operate and maintain all electric facilities on his side of the point of delivery including the service and with the exception of Company's meter.
- 6) The normal point of delivery shall be at a junction device at the corner of the lot nearest Company's facilities. Customer shall bring Customer's service line to a point within 1724eet of the junction device with a sufficient length of service conductor left coiled above grade for completion of installation and connection by Company.
- 7) In consideration of Customer's underground service, Company shall credit any amounts due under the contract for each service at the rate of \$50.00 or Company's average estimated installed cost for an overhead service whichever is greater.
- 8) Unit charges, where specified herein, are determined from Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions.

2/6/2009

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SECTION 9 (1)

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, First Revision of Original Sheet No. 106.3 Canceling P.S.C. Electric No. 7, Original Sheet No. 106.3

TERMS AND CONDITIONS

Line Extension Plan

H. UNDERGROUND EXTENSIONS

General (continued)

1) Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential.

Individual Premises

- 1) Within the City of Louisville underground district or in those cases where Company's engineering or operating convenience requires the construction of an underground extension to an individual premise, the excess of the cost of an underground extension over that of an overhead extension will be at no cost.
- 2) In cases other than those specified in 1) above, where Customer requests and Company agrees to supply underground service to an individual premise, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

Medium Density Subdivisions

- 1) A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family
- 2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of \$5.26 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.
- 3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be the Company's full estimate cost of construction. Where Customer is required to deposit with the Company a nonrefundable advance in place of trenching and backfilling, advance will be determined by a unit charge of \$17.53 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.
- 4) Each year for ten (10) years Company shall refund to Customer an amount determined CANC as follows: a. Where customer is required to provide trenching and backfilling, a refund of \$5,000.
 - for each customer connected during that year. b. Where customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in 3) and the non-refundable unit charge advance in 2) for each customer connected during that year

5) In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

KENTUCKY PUBLIC SERVICE COMMISSION

> JEFF R. DEROUEN EXECUTIVE DIRECTOR

TARIFF BRANCH

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Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

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PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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TERMS AND CONDITIONS

Line Extension Plan

H. UNDERGROUND EXTENSIONS (continued)

High Density Subdivisions

- A high density residential subdivision is defined as building complexes consisting of two
 or more buildings each not more than three stories above grade and each designed for
 five (5) or more family occupancy.
- 2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.
- The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension.
 - Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.
 - ii. In no case shall the refunds provided for herein exceed the amounts deposited less any non refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

Other Underground Subdivisions

In cases where a particular residential subdivision does not meet the conditions provided for above, Customer requests and Company agrees to supply underground service, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

I. SPECIAL CASES

- 1) Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlines in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify the Company's installing facilities required to meet Customer's needs, Company may request Customer deposit with Company a refundable amount to justify Company's investment.
- 2) Each year for ten (10) years, Company shall refund to Customer, an amount calculated by:
 - a. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric demand billing of the monthly electric billing for that year of any customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company
 - b. times the refundable amount divided by the estimated total ten-year base rate electric demand billing required to justify the investment.
- 3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 2/6/2009

KENTUCKY PUBLIC

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