

Louisville Gas and Electric Company

P.S.C. Electric No. 9, Original Sheet No. 103

TERMS AND CONDITIONS

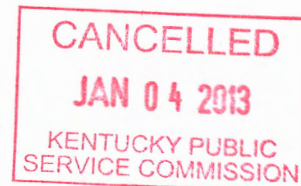
Budget Payment Plan

Company's Budget Payment Plan is available to any residential customer or general service customer. 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 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 Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of Customer's next budget year.

If Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove 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 Customer from the provisions of these terms and conditions.



Date of Issue: January 7, 2013

Date Effective: August 1, 2010

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

Issued by Authority of an Order of the KPSC in Case No. 2009-00549 dated July 30, 2010

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| KENTUCKY PUBLIC SERVICE COMMISSION |
| JEFF R. DEROUEN EXECUTIVE DIRECTOR |
| TARIFF BRANCH |
| |
| EFFECTIVE 1/1/2013 |
| PURSUANT TO 807 KAR 5:011 SECTION 9 (1) |