

TERMS AND CONDITIONS

BILLING

METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6.

All bills will be based upon meter readings made in accordance with the Company's meter reading schedule. The Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric or gas meter fails to register properly by reason of damage, accident, etc., the Company shall have the right to estimate the customer's consumption during the period of failure on the basis of such factors as the customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where the Company serves a customer with both electric and gas service at the same service location, the Company will render a combined bill. Provided, however, a residential customer may request, and the Company will render, separate bills under the following conditions: (1) the customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) the customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable in their net amount at the office of the Company during business hours, or at other locations designated by the Company, within 15 days from date of rendition thereof. In the event a bill is not paid on or before the final day of this 15 day net payment period, the gross bill including forfeited discount or delayed payment charge shall become due and payable at the office of the Company.

Failure to receive a bill does not exempt a customer from these provisions of the Company's Terms and Conditions.

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except where the Company's operating convenience requires the installation of two or more meters upon the customer's premises instead of one meter.

CANCELLED
FEB 06 2009
KENTUCKY PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered

[Signature]
By
Michael S. Beer, Vice President
Louisville, Kentucky

[Signature]
nd After
1, 2004
Executive Director

**TERMS AND CONDITIONS
BILLING**

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual customer consumption, the Company will monitor the usage of each customer at least once annually. Should an unusual deviation in the customer's consumption be found which cannot be attributed to a readily identified cause, the Company will perform a detailed analysis of the customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. The Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF ELECTRIC ENERGY

Electric energy furnished under the Company's standard application or contract is for the use of the customer only and no customer shall resell such energy to any other person, firm, or corporation on the customer's premises or for use on any other premises without the written consent of Company. If energy is resold in accordance with such written consent of Company, the energy may be resold only under one of the following two procedures: (1) the bill for electric service shall be divided by the total KWH's delivered to the customer during the billing period by LG&E and the resulting cost per KWH shall then be applied to the KWH's of energy used by each end-user; or (2) such energy shall be resold at rates which are identical to the rates which would be charged by the Company for like and contemporaneous service.

Electric service shall not be used for purposes other than as set forth in customer's application or contract.

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Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004