

TERMS AND CONDITIONS
Budget Payment Plan

The Company's Budget Payment Plan is available to any residential customer or general service customer. Small business customers must have a minimum of three months of usage history and a zero balance owed on their account(s) to be eligible for the Budget Payment Plan. Under this plan, a customer may elect to pay, each month, 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 the Company, and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve months. The budgeted amount will be subject to review and adjustment by the 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, the 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.

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
After
1, 2004

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

Executive Director

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