Duke Energy Kentucky, Inc. 4580 Olympic Blvd. Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2 First Revised Sheet No. 20 Cancelling and Superseding Original Sheet No. 20 Page 1 of 2

SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility 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 thirty (30) days from the termination date, in writing, of state and federal programs which

Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

Issued: September 29, 2010 Effective: September 30, 2010

Duke Energy Kentucky, Inc. 4580 Olympic Blvd. Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2 First Revised Sheet No. 20 Cancelling and Superseding Original Sheet No. 20 Page 2 of 2

SECTION I - SERVICE AGREEMENTS (Contd.)

may be available to aid in payment of bills and the office to contact for such possible assistance.

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

4. Connection of Service.

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

5. Change of Address of Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

Issued: September 29, 2010 Effective: September 30, 2010