

**COLUMBIA GAS OF KENTUCKY, INC.**

**INTRASTATE UTILITY SERVICE (IUS)  
RATE SCHEDULE  
(Continued)**

**LATE PAYMENT PENALTY AND TERMINATION OF SERVICE**

A Late Payment Penalty of five percent (5%) may be assessed, only once on any bill for rendered services, if a Customer fails to pay bill by the due date shown on Customer's bill. Any payment received will first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

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If such failure to pay on the part of Customer continues for thirty (30) days after payment is due, Company may, after application to and authorization by the Commission, suspend further delivery of gas. This Late Payment Penalty may continue until authorization is received from the Commission to suspend deliveries. Company shall not be required to resume deliveries of gas until Customer has paid all amounts owed Company and has provided a cash deposit to secure payments of bills in an amount not to exceed two-twelfths (2/12) of Customer's estimated annual bill.

If prior to the due date of payment, Customer in good faith disputes the bill in part or total, and pays to Company such amounts as it concedes to be correct, and at any time thereafter within ten (10) days of a demand made by Company, furnishes a surety bond in an amount and with surety satisfaction to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions of such bond.

**TERM**

The period of time to be covered by the Sales Agreement shall be determined by agreement between Customer and Company, but shall not exceed twenty (20) years; provided, however, that where the Sales Agreement supersedes or cancels an existing contract, Company may require that the term of the Sales Agreement shall not be less than the unexpired portion of the term contained in the superseded or canceled contract. The initial term of the Sales Agreement executed by Customer under this rate schedule shall be for the period specified in the Sales Agreement, which shall continue in effect from year to year thereafter until canceled by either Customer or Company by giving written notice to the other no later than March 1 of any year that the agreement is to be terminated, effective November 1, of such year.

In the event any portion of Customer's gas requirements is provided by Company from local sources, the depletion of such local sources of supply shall relieve Company from the obligation to deliver hereunder such portion of Customer's gas requirements; provided, however, that Customer shall have the right to extend its facilities to Company's nearest available source of adequate gas supply, in which event Company shall be obligated to continue service to Customer under this rate schedule.

(C) Change

**DATE OF ISSUE:** November 10, 1994

**DATE OF EFFECTIVE:** November 1, 1994

**Issued by:** K. I. Shroyer

Vice President - Regulatory Services

Issued by authority of an Order of the Public Service Commission in Case No. 94-179, dated November 1, 1994.