

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER)	CASE NO.
COMPANY'S INTEGRATED RESOURCE PLAN)	2004-00014

COMMISSION STAFF'S FIRST DATA REQUEST TO
THE UNION LIGHT, HEAT AND POWER COMPANY

The Union Light, Heat and Power Company ("ULH&P") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on July 7, 2004. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Volume I of ULH&P's 2003 Integrated Resource Plan ("IRP"), pages 1-17 and 1-18, which refer to the Commission's approval of ULH&P's request to acquire the East Bend, Miami Fort 6, and Woodsdale generating units.

a. ULH&P indicated that it expected to file a transfer application with the Federal Energy Regulatory Commission ("FERC") in February of 2004 and a related application with the Securities and Exchange Commission ("SEC") shortly thereafter, in

its response to Commission Staff's January 9, 2004 data request in Case No. 2003-00252.¹ Have those applications been filed? If yes, provide the dates when they were filed with the FERC and the SEC, respectively.

b. Provide the status of the FERC's and the SEC's reviews of ULH&P's applications. If the applications have not been filed, explain in detail why they have not been filed and indicate when they will be filed.

c. Refer to the sentence spanning pages 1-14 to 1-15, which states that the 2003 IRP is shown in Figure 1-3, "assuming the transfer of the plants to ULH&P occurs on 7/1/04." If the transfer does not occur by that date, what plan should be selected? Provide a complete explanation and analysis.

2. Refer to page 2-4 of the IRP.

a. The after-tax effective discount rate used in the IRP is 8.73 percent. Provide the analysis used to derive this rate.

b. The Allowance for Funds Used During Construction ("AFUDC") rate used in the IRP is 7.00 percent. Provide the analysis used to derive this rate.

3. Refer to page 2-8 of the IRP, which lists reliability constraints used therein.

a. Provide definitions of "Loss of Load Hours" and "Expected Unserved Energy."

b. Provide an analysis showing why each of the target numbers for reserve margin, loss of load hours, and expected unserved energy is a reasonable target.

¹ Case No. 2003-00252, The Application of The Union Light, Heat and Power Company for a Certificate of Public Convenience to Acquire Certain Generation Resources and Related Property; for Approval of Certain Purchase Power Agreements; for Approval of Certain Accounting Treatment; and for Approval of Deviation from Requirements of KRS 278.2207 and 278.2213(6), Order dated December 5, 2003.

4. Refer to pages 1-9 and 4-14 of the IRP, which indicate that a reduction in load of 3 MW is available under a contract with an industrial customer. Describe the efforts made that ensure that this 3 MW reduction will be available when called upon.

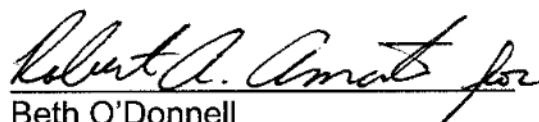
5. Refer to page 1-15 of the IRP, which indicates that the plan may be adjusted to levelize reserve margins. Explain what is meant by "levelize reserve margins."

6. Refer to page 6-11 of the IRP, specifically Figure 6-1. Provide the current timeframe for the installation of the Low NOx Burner at the Miami Fort 6 generating unit.

7. Refer to pages 8-43 through 8-47 of the IRP concerning New Source Review issues. On June 28, 2000, the United States Environmental Protection Agency ("EPA") issued a notice of violation, which among other things, alleged violations at the Miami Fort generating station.

a. Explain whether any of the violations alleged by EPA were related to the operation of Miami Fort 6. If yes, describe the specific violation(s).

b. Explain whether the Agreement in Principle of December 21, 2000 will resolve any issues related to violation at Miami Fort 6.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED : June 16, 2004

cc: All Parties