COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT AND)POWER COMPANY FOR APPROVAL OF ITS)CASE NO.PROPOSED ECONOMIC DEVELOPMENT RIDERS)2004-00253

COMMISSION STAFF'S SUPPLEMENTAL 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 September 1, 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 the Response to Item 2 of the Commission Staff's First Data Request dated July 27, 2004.

a. Concerning Commission review of the service agreements related to the economic development tariffs -- if the Commission does not have an opportunity to review or approve the agreements, explain how it can be assured that they do not contain terms and conditions that could be detrimental to other customers. b. Would ULH&P agree that, if the service agreements were filed for Commission review and approval, deviations from the requirements of Administrative Case No. 327¹ could be addressed as part of that process? Explain the response.

c. ULH&P has indicated that The Cincinnati Gas & Electric Company ("CG&E") has had a Brownfield Development Rider ("Rider BR") for 8 years.

(1) Does CG&E use service agreements in conjunction with this rider? If yes, provide a representative copy of the service agreement in use by CG&E.

(2) If service agreements are not used by CG&E for this rider, explain in detail why they are not.

2. Refer to the response to Item 4 of the Commission Staff's First Data Request dated July 27, 2004.

a. Explain in detail how ULH&P would quantify the benefits to other customers and customer classes resulting from the capital expenditures, tax dollars and employment opportunities resulting from participation under the proposed riders.

b. Would ULH&P agree that, if it cannot quantify the benefits noted in response to Item 4, the concept of cost causation would require that the participant under the proposed rider should bear its implementation costs? Explain the response.

3. Refer to the response to Item 6 of the Commission Staff's First Data Request dated July 27, 2004.

a. Has the Indiana Commission approved the economic development riders proposed for PSI Energy, Inc.?

¹ Administrative Case No. 327, An Investigation into the Implementation of Economic Development Rates by Electric and Gas Utilities.

(1) If yes, indicate when the riders were approved and describe any differences between the riders as proposed and as approved.

(2) If no, provide the status of the PSI Energy, Inc. application.

b. As of the date of this data response, has CG&E filed the Economic Development and Urban Redevelopment Riders with the Ohio Commission?

(1) If yes, when were the applications filed and when does CG&E expect to receive a ruling from the Ohio Commission?

(2) If no, when are the applications expected to be filed?

4. Concerning CG&E's Rider BR, provide the following information:

a. A schedule showing the number of customers utilizing Rider BR as of the end of each calendar year since the rider was available.

b. The total benefits experienced annually by other CG&E customers and customer classes due to the availability of Rider BR.

c. The total annual cost incurred in association with implementing Rider BR for each calendar year since the rider was available.

d. Describe how implementation costs associated with Rider BR are currently recovered by CG&E.

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

DATED: <u>August 19, 2004</u>

cc: All Parties

Case No. 2004-00253