

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT,)
HEAT AND POWER COMPANY FOR)
DEVIATION FROM THE REQUIREMENTS)
OF KRS 278.2207(1)(B) TO PERMIT) CASE NO. 2004-00301
WINTER 2004-2005 NATURAL GAS)
PURCHASES FROM CINERGY MARKETING)
& TRADING, LP, AN AFFILIATE)

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

The Union Light, Heat and Power Company (“ULH&P”), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due within 5 days of the date of this request. 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 herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. In its application, ULH&P states that it sought bids for its base load transaction for the 2004-2005 winter season, but, for the swing transaction, it sought bids for both the 2004-2005 winter season and a term up to 2 years. Explain the reason(s) for the bid period for both the base load and swing transactions. Explain why the swing transaction included a solicitation of up to 2 years.

2. State when the base load and swing transactions involving Cinergy Marketing & Trading, LP ("CM&T") were finalized.

3. Refer to page 3 of the application. Explain in detail why ULH&P sought bids from only 3 vendors for its firm base load supply, rather than following the same approach used for the swing supply.

4. Refer to Attachment No. 1, page 6 of 6. Footnote (1) states that volumes have been hedged with three of the companies listed as part of ULH&P's hedging strategy.

a. Do the volumes on this page of the attachment include the hedged volumes?

b. If the volumes include the hedged volumes, provide a breakdown of the percentage of volumes hedged for each company.

5. Describe the effects, if any, of ULH&P's selection of CM&T as a gas supplier on CM&T's eligibility to serve as ULH&P's asset manager when the current asset manager contract expires.

6. Explain why the bids for base load volumes were requested on a "cost-averaged" basis, while the swing load volumes were requested at the Inside FERC First of Month Index price.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED: August 23, 2004

cc: Parties of Record

Case No. 2004-00301