

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION LIGHT,)
HEAT AND POWER COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUANCE OF)
FIRST MORTGAGE BONDS, UNSECURED)
DEBT, AND LONG TERM NOTES, ISSUANCE)
OF INTER-COMPANY PROMISSORY NOTES,) CASE NO. 2005-00027
EXECUTION AND DELIVERY OF LONG-)
TERM LOAN AGREEMENT, AND USE OF)
INTEREST RATE MANAGEMENT)
INSTRUMENTS)

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 5 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. 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.

1. Refer to page 4 of the application. ULH&P states that it may borrow from authorized issuers of tax-exempt bonds (“Authority”) the proceeds of the Authority’s tax-

exempt bonds. Provide a list of possible Authorities who may issue these types of bonds.

2. Refer to page 7 of the application. ULH&P states that inter-company promissory notes other than notes related to projects at East Bend generating station will bear an interest rate equal to the all-in weighted average cost of imbedded long-term debt (excluding tax exempt debt) of The Cincinnati Gas & Electric Company. Explain what the interest rate for notes that are not related to East Bend projects would be as of December 31, 2004.

3. Refer to page 13 of ULH&P's application. ULH&P states that the proceeds from the securities, long-term notes, inter-company promissory notes and loan agreements are expected to be used to repay a portion of ULH&P's short-term indebtedness and for early redemption of long-term debt of ULH&P. Identify the issues of short-term and long-term debt that ULH&P believes are most likely to be refinanced, including the principal amount of each issue identified.

4. Refer to pages 13 and 14 of the application.

a. ULH&P lists six uses of the proceeds from the proposed \$900 million financing. For each of the six items listed, provide the total amount needed for each use. In addition, specifically identify what ULH&P is including as "such additional expenditures as contemplated by KRS 278.300" and "other lawful corporate purposes."

b. Does ULH&P anticipate it will fund its 2007 construction and acquisition expenditures, as shown in Exhibit D to the application, with proceeds from the proposed \$900 million financing? If yes, explain why these additional expenditures were not referenced on page 13 of the application.

5. Refer to page 17 of the application. ULH&P seeks authority to issue and sell up to \$900 million in principal amount of its securities, long-term notes, inter-company promissory notes and loan agreements.

a. Explain whether the \$900 million authority that is sought is an aggregate amount that will include all debt of ULH&P that is currently outstanding.

b. If ULH&P's response to 5(a) is no, identify all debt by issue and principal amount that would exist in excess of the \$900 million authority.



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

DATED: February 10, 2005

cc: Parties of Record