

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT AND)	
POWER COMPANY FOR APPROVAL OF)	
MODIFICATIONS TO ACCOUNTING PRACTICES)	CASE NO.
TO ESTABLISH REGULATORY ASSETS AND)	2005-00096
LIABILITIES RELATED TO CERTAIN)	
MISO-RELATED COSTS AND REVENUES NOT)	
ALREADY INCLUDED IN EXISTING BASE RATES)	

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 6 copies of the following information, with a copy to all parties of record. The information requested herein is due April 26, 2005. 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 witness 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. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Explain in detail why the Midwest Independent Transmission System Operator, Inc. ("MISO") revenues and expenses should be deferred and amortized over some future period rather than recorded as revenues and expenses immediately.

2. Explain whether the MISO revenues and expenses that are proposed to be deferred are:

a. Nonrecurring or recurring in nature.

b. Related to service provided currently or service to be provided in some future period.

3. Explain in detail how ULH&P's request to establish regulatory assets and liabilities related to incremental costs incurred and revenues received from MISO is consistent with the treatment of transmission costs included in the settlement agreement approved by the Commission in Case No. 2001-00058.¹

4. Provide ULH&P's total distribution and retail transmission costs as of December 31, 2004 and for the most current 12-month period in 2005.

5. Refer to the Direct Testimony of Paul K. Jett, page 16. ULH&P has estimated that it will incur \$1,540,000 for MISO Schedule 10, Schedule 10-FERC, Schedule 16, and Schedule 17 costs for 2005.

a. Has this estimate been impacted by the delay in the completion of the transfer of generating plant from The Cincinnati Gas and Electric Company to ULH&P? Explain the response and if necessary include a revised estimate of the MISO schedule costs for 2005.

¹ Case No. 2001-00058, The Application of The Union Light, Heat and Power Company for Certain Findings Under 15 U.S.C. § 79Z, final Order dated May 11, 2001.

- b. Provide the estimated cost for the listed MISO schedules for 2006.
6. Concerning the \$1,540,000 estimated MISO costs in 2005:
- a. Does ULH&P consider these additional costs to be of a material nature? Explain the response.
- b. Provide the percentage the estimated MISO costs represent of the total estimated electric operating expenses for 2005.
- c. Describe the future benefits of creating the regulatory assets and liabilities for these MISO costs that will be available to ULH&P's ratepayers and shareholders.
- d. Are these costs directly related to the transmission service to be received in 2005? If yes, explain in detail how deferring these 2005 costs to a future period will result in a proper match of the costs with the 2005 transmission service that generated these costs.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED April 12, 2005

cc: All Parties