COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY 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)	)	CASE NO. 2003-00252

INITIAL REQUEST FOR INFORMATION OF THE ATTORNEY GENERAL TO UNION LIGHT HEAT AND POWER

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Requests for Information Union Light, Heat and Power to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully Submitted,
A. B. CHANDLER, III
ATTORNEY GENERAL

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CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 21st day of August, 2003, I have filed the original and ten copies of the foregoing with the Executive Director of the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

JOHN J FINNIGAN ESQ
MICHAEL J PAHUTSKI ESQ
139 EAST FOURTH STREET
CINCINNATI OH 45201

Initial Requests for Information
of the Attorney General to
Union Light, Heat and Power Company
Case No. 2003-00252

1–1 Please provide a complete copy of each "Form 1" annual report submitted to the Federal Energy Regulatory Commission by ULH&P for 2000, 2001 and 2002.

1–2 Please provide a complete copy of each "Form 1" annual report submitted to the Federal Energy Regulatory Commission by Cincinnati Gas and Electric Company ("CG&E") for 2000, 2001 and 2002.

1–3 Please provide a complete copy of each "Form 1" annual report submitted to the Federal Energy Regulatory Commission by Cinergy for 2000, 2001 and 2002.

1–4. Please provide a complete copy of each "Report 10–K" report submitted to the U.S. Securities and Exchange Commission by ULH&P for 2000, 2001 and 2002.

1–5 Please provide a complete copy of each "Report 10–K" report submitted to the U.S. Securities and Exchange Commission by Cincinnati Gas and Electric Company ("CG&E") for 2000, 2001 and 2002.

1–6 Please provide a complete copy of each "Report 10–K" report submitted to the U.S. Securities and Exchange Commission by Cinergy for 2000, 2001 and 2002.

1–7 Please provide a complete copy of each annual report to stockholders published by ULH&P for 2000, 2001 and 2002.

1–8 Please provide a complete copy of each annual report to stockholders published by CG&E for 2000, 2001 and 2002.

1–9 Please provide a complete copy of each annual report to stockholders published by Cinergy for 2000, 2001 and 2002.

1–10 Please provide complete copies of all annual and quarterly reports submitted by ULH&P to the Kentucky Public Service Commission from January 1, 2000 to the present date. This should be regarded as a continuing request during the term of this case.

1–11 Please provide complete copies of all annual and quarterly reports submitted by CG&E to the Kentucky Public Service Commission from January 1, 2000 to the present date. This should be regarded as a continuing request during the term of this case.

1–19 Please specify whether or not East Bend, Miami Fort 6 or Woodsdale have ever been the subject of a lawsuit by the U.S. Environmental Protection Agency. If affirmative, please provide a full description of the circumstances, with case numbers and names/addresses of contacts.

1–20 Please specify whether or not life extension studies have ever been performed for the East Bend, Miami Fort 6 or Woodsdale generating stations. Life extension study means any program, capital or maintenance, designed to extend the remaining life and/or increase the capacity of existing plants. If affirmative, please provide a complete copy of each such study.

1–21 With reference to the discussion in the Direct Testimony of witness Mason (page 3, lines 3–11) please state whether or not "coal purchasing practices" will change for East Bend and Miami Fort 6 if these generating stations are acquired by ULH&P. Please provide descriptions and all existing estimates of the cost effects of any changes in practices that are anticipated.

1–22 In his Direct Testimony witness Snead discusses elements of the Joint Transmission System and the transmission facilities connected to the three generating stations to be acquired. For each of these transmission system elements, please specify:

a. Whether the element is currently in existence or needs to be built
b. Any physical modifications or upgrades that are anticipated if the three generating facilities are acquired, and the anticipated costs and schedule for such modifications or upgrades
c. Current percentage ownership by each owner

1-23 Please provide any and all workpapers used by witness Rose in preparation of the Attachments JLR–1 through JLR–31 to Direct Testimony. Also, please provide the document "NERC Electricity Supply and Demand" referenced in that Direct Testimony.

1-24 Witness Roebel provides certain operating data on the East Bend, Miami Fort 6 and Woodsdale generating stations in his Direct Testimony. For each of these stations during each of the past ten years individually, please specify:

a. MWH supplied for the year
b. Number of hours operating at (nominal) maximum capacity
c. Number of hours operating at derated capacity
d. Number of hours down for forced outages
e. Number of hours with planned outages

1–25 Witness Stevie describes the ULH&P's 2002 Load Forecast in his Direct Testimony.

a. Please provide complete copies of ULH&P's two most recent <u>previous</u> load forecasts.

b. Please provide all workpapers supporting Attachment RGS–1.

1–26 Please provide the following information with respect to the resource planning process described in the Direct Testimony of witness Jenner

a. For each of the past five years (1998 through 2002), ULH&P's retail electricity sales (MWH) for <u>each</u> major customer class
b. For each of the past five years (1998 trhough 2002), ULH&P's revenues from retail electricity sales for <u>each</u> major customer class
c. For each of the past two years (2001 and 2002), identify ULH&P's 10 largest customers (on a revenue basis). Also, specify the retail sales (MWH) and revenues from retail electricity sales for each.
d. For each customer identified in response to part c *supra*, provide any specific information in ULH&P's possession concerning actions (moves, expansions, plant closures etc.) that would likely affect its propensity to purchase electricity from ULH&P in the foreseeable future.

1-27 Please provide the following information with respect to depreciation rates used in the calculations shown in attachments to the Direct Testimony of witness Steffen.

a. Specify the source of the "Depreciation Rates as of April 2003".
b. Provide a complete copy of any study or analysis used by ULH&P to derive these depreciation rates.
c. State whether these depreciation rates have been approved for ULH&P or any affiliate thereof by any state or federal regulatory agency. If so, please reference the agency, docket number and date of the applicable order(s).
d. State whether or not these depreciation rates have been used previously by CG&E or any other entity for determining the book value of East Bend, Miami Fort 6, Woodsdale or other generating stations. If so, describe the circumstances of their use.

1-28 Provide any and all workpapers used by witness Steffen to develop the data in Attachments JPS–1, JPS–2, JPS–3 and JPS–4.

1–29 With respect to the asserted 11.38 percent cost of common equity in JPS-4, please provide the following information:

a. Specify the source of this cost.
b. Provide a complete copy of any study or analysis used by ULH&P to derive this cost.
c. State whether this cost of equity has been approved for ULH&P or any affiliate thereof by any state or federal regulatory agency. If so, please reference the agency, docket number and date of the applicable order(s).

1–29 With respect to the asserted 6.4 percent cost of long term debt and 1.95 percent cost of short term debt in JPS-4, please provide the following information:

a. Specify the sources of these costs.

b. Provide a complete copy of any study or analysis used by ULH&P to develop these costs.

1–30 At page 25 of her Direct Testimony, witness Jenner states that retail rates would change on January 1, 2007.

a. Assuming acquisition of the three generating stations, please specify ULH&P's anticipated retail revenue per subscriber by principal customer class for each year in the period 2003 through 2112 inclusive.
b. Assuming acquisition of the three generating stations, please specify ULH&P's anticipated revenues and costs associated with off–system sales of electricity for each year in the period 2003 through 2112 inclusive.

1-31 Please provide the following information for <u>each</u> of the three generating stations to be acquired.

a. Two most recent depreciation studies
b. Complete descriptive history of annual capital additions and associated maintenance expenses.
c. Records of the annual capital additions and maintenance expenses

1-32. If not provided in earlier responses, please provide both hard copies and electronic versions of all workpapers underlying the testimony and exhibits of all witnesses.

1-33. Please identify and provide the final retirement dates for all accounts and units at each plant. Include the original source documentation for these final retirement dates.

1-34. For all plants and units please provide the following information to support the final retirement dates. Please respond to each item. Refer to the NARUC 1996 Depreciation Practices Manual for references.

a. Economic studies. (NARUC, p. 146)
b. Retirement plans. (NARUC, p. 146)
c. Forecasts. (NARUC, p. 146)
d. Studies of technological obsolescence. (NARUC, p. 146)
e. Studies of adequacy of capacity. (NARUC, p. 146)
f. Studies of competitive pressure. (NARUC, p. 146)
g. Relationship of type of construction to remaining life span.
h. Relationship of attained age to remaining life span.
i. Relationship of observed features and conditions at the time of field visits to remaining life span.
j. Relationship of specific plans of management to remaining life span.

1-35. Please provide annual additions, retirements, adjustments, and transfers and end of year balances for each plant account for each plant from the original installation date. Provide in both hard copy and electronic form. Please provide any record layouts necessary to interpret the data.

1-36. Please provide the following annual amounts for all accounts for each plant from the plant's original installation date. Please provide data in both hard copy and electronic format.

a. Beginning and ending accumulated depreciation balances,
b. Annual depreciation expense,
c. Annual retirements,
d. Annual cost of removal and gross salvage,
e. Annual third party reimbursements.

1-37. Please provide the annual amounts of the following for each plant since it's original installation date: deferred tax provisions, accumulated deferred tax balances, investment tax credits realized, investment tax credits deferred, investment tax credits amortized, accumulated deferred investment tax credits balances. Provide all additional tax data related to each plant.

1-38. Provide all demolition studies conducted for each plant.

1-39. Please provide sample copies of the Continuing Property Records and Maintenance records for each plant and each account at each plant.

1-40. Please provide the Company's retirement unit list.

1-41. Please provide in hard copy and on diskette, sufficient aged plant and retirement data to conduct complete actuarial retirement-rate studies for each account at each plant.

1-42. Identify and explain all Company programs which might affect plant lives.

1-43. Provide all internal and external audit reports, management letters, consultants' reports etc. which address in any way, the Company's property accounting, depreciation practices, these plant transfers, EPA lawsuits involving these plants, maintenance and/or capital work required at these plants.

1-44. Please provide copies of all Board of Director's minutes and internal management meeting minutes in which the subject of these plant transfers was discussed.

1-45. Please provide copies of all internal correspondence which deals in any way with these plant transfers.

1-46. Provide all FERC audit reports and the Company's responses thereto during the last 10 years.

1-47. Please provide copies of all correspondence between the Company and the FERC concerning any life extension plan or maintenance program, or any request to treat retirement units or minor items of property differently than as prescribed by the FERC USOA.

1-48. Please provide the Company's most recent Integrated Resource Plan dealing with plant lives for these plants.

1-49. Please provide any and all internal studies and correspondence concerning the Company's implementation of FASB Statement No. 143, the FERC NOPR and Order No. 631 in RM-02-7-000, and the current draft AICPA Statement of Position on Property, Plant and Equipment(SOP-PPE).

1-50. Regardless of the status of the Company's implementation, please provide complete copies of all correspondence with the following parties regarding the Company's implementation of FASB Statement No. 143 the FERC NOPR and Order 631 in RM02-7-000, and the current draft AICPA Statement of Position on Property, Plant and Equipment (SOP-PPE):

a. External auditors and other public accounting firms.
b. Consultants
c. External counsel
d. Federal and State regulatory agencies
e. Internal Revenue Service

1-51. Regarding FASB Statement No. 143 and the FERC NOPR and Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, please use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel." Please provide the requested information to the maximum extent possible at the time of the response.

1-52. For any asset retirement obligations identified above, please provide the "fair value" of the obligation. For the purposes of the question, fair value means "the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction." Please provide all assumptions and calculations underlying these amounts. Please provide the requested information to the maximum extent possible at the time of the response.

1-53. Please provide complete copies of all Board of Director's minutes and internal management meeting minutes during the past five years in which any or all of the following subjects were discussed: the Company's electric, general and common general plant depreciation rates; retirement unit costs; SFAS No. 143; FERC RM02-7-000; and, the AICPA SOP on PPE.

1-54. Provide copies of all correspondence, both incoming and outgoing, concerning the transfer of these plants with any of the following:

a. Federarl regulatory agencies,
b. State regulatory agencies,
c. Federal and State taxing agencies,
d. Accounting firms,
c. Consulting firms,
d. Engineering firms,
e. Law firms.

1-55. For each CG&E Generating Unit, please supply the following:

a) Nameplate capacity

b) Year unit was placed into service

c) Type of unit (steam-pulverized coal, combustion turbine, hydro, etc.)

d) Type of fuel

1-56. For each CG&E Generating Unit, for each of the last 5 years, please provide the following information

a) Current rated capacity

b) Annual generation (kWh)

c) Annual capacity factor

d) Annual availability

e) Average variable cost per kWh

f) Average fuel cost per kWh

1-57. Please provide the dispatch order for the CG&E & PSI units as currently dispatched.

1-58. Please provide the analysis used to determine which CG&E units were to be sold to ULH&P. Please be sure to provide all calculations assumptions and workpapers involved in producing this analysis.

1-59. Were any other units considered for sale to ULH&P? If so, please provide other asset options considered and the reason they were not selected for the proposed sale.

1-60. Please provide the following with respect to kWh intra-system and off-system sales, for each of the last 5 years:

a) CG&E sales to PSI

b) PSI sales to CG&E

c) CG&E sales to ULH&P (full-requirements)

d) CG&E sales off-system

e) PSI sales off-system

f) CG&E purchases from off-system (excluding from PSI)

g) PSI purchases from off-system (excluding from CG&E)

1-61. On page 7 of Mr. Fricke's testimony, he proposes that ULH&P be allowed to keep all profits from off-system sales. Can Mr. Fricke provide the name of any other utility under Kentucky PSC regulation that does not flow back the margins made on off-system sales to ratepayers through Commission established rates, if the ratepayers have a rate of return and depreciation on the generating assets included in their rates?

1-62. On page 7 of Mr. Fricke's testimony, he proposes that ULH&P transfer back to CG&E the generating assets sold if it does not like a future ruling in a rate case. Is Mr. Fricke aware of any other purchases of assets approved by the Kentucky PSC has a clause in the sales contract that reverses the sale if a utility does not like a future rate ruling?

1-63. Please explain why the sale is to take place as soon as possible instead of on January 1, 2007?

1-64. Assuming the sale is approved and takes place before January 1, 2007, if ULH&P's costs associated with this generation is less than the rates frozen through the end of 2006, will ULH&P be willing to lower its rates to reflect these actual costs, or will ULH&P simply keep the windfall profit?

1-65. On page 16 of Mr. Turner's testimony, the third and fourth conditions are that the cost of all fuel purchases and energy transfers on a going forward basis be included in the FAC. Would this mean that all future FAC approvals would have to be automatic, with no review of the prudence of transactions in future FAC hearings?

1-66. On page 18 of Mr. Turner's testimony he states that "iron in the ground" has a net book value less than the potential market value.

a) Does Mr. Turner consider this statement to be true today for Combustion Turbines?

b) Is Mr. Turner aware that Combustion Turbines can now be purchased from projects that were never built at a fraction of the cost of turbines when Woodsdale was built?

1-67. In Mr. Stevie's Attachment RGS-1, he shows ULH&P's total energy requirement in the range of 4 million MWH. But in Mr. Steffen's Attachment JPS-6, he shows the total generation for 2002 of the three plants to be transferred to ULH&P at about 3.4 million MWH, the way that CG&E currently dispatches its system. Isn't it true that under this proposed sales, ULH&P will still be required to purchase a significant amount (15%) of its power from CG&E at market rates?

1-68. For the first 5 years starting in 2007, based on projections and forecasts in the proposal, please provide an analysis showing:

a) The amount of power that would be obtained from each of the ULH&P owned units for ULH&P customers

b) The amount of power from the ULH&P units that would be sold to CG&E, PSI or off-system.

c) The amount of power that would be purchased from CG&E under the back-up PSA.

d) The amount of power purchased from CG&E under the PSOA.

e) The cost of power (including all fixed and variable costs) of power from the ULH&P plants.

f) The cost of the power purchased under the back-up PSA.

g) The cost of the power purchased under the PSOA.

h) The net margin on the power sold under the PSOA off-system.

1-69. On page 5 of Mr. McCarthy's testimony, he states that the cost of the back-up power is below the embedded cost in the existing Power Sales Agreement. Please provide the analysis that would show that it would be cheaper for ULH&P to have a back-up power agreement than to simply buy market power when its steam units were not available and were needed. Please provide all calculations, assumptions and workpapers associated with this analysis.

1-70. Assuming the CG&E-PSI-ULH&P system is dispatched using economic dispatch, if a CG&E unit with a variable cost of 18 mils is dispatched instead of a ULH&P unit with a cost of 19 mils, and ULH&P buys power from CG&E when the market price is 20 mils, isn't it true that ULH&P customers would be paying CG&E a higher price (market price) that it would have paid if it had used its own plant that remained idle?

1-71. Assuming the CG&E-PSI-ULH&P system is dispatched using economic dispatch, if an available CG&E unit is used for a off-system sale instead of an available ULH&P unit with a slightly higher variable cost, isn't ULH&P harmed since it could have also made the sale (with a slightly lower margin) if its units weren't being dispatched by CG&E?

1-72. For each of the last 5 years, please provide the total sales and peak loads for CG&E and ULH&P separately.

1-73. In Attachment RCM-1, page 4, please provide all calculation assumptions and workpapers used to develop the capacity charges in section 2.4.

1-74. With respect to Mr. Roebel's description of Miami Fort 6 on page 3 of his testimony, please provide a projected retirement date for this 43 year old unit.

1-75. On page 3 of Mr. Ege's testimony, he states that his assessments include the remaining life of generating plants. Please have him provide his best estimate of the remaining life of the three plants in this proposed sale.

1-76. On page 5 of Mr. Ege's testimony, he states that there are some environmental issues for East Bend raised by the Clear Skies Act. Please provide an estimate of the cost of East Bend complying with this proposal, including a description of the actions that would need to be taken to comply.

1-77. On page 5 of Mr. Ege's testimony, he states that there are some performance and maintenance issues for Miami Fort 6. Please provide a list of these issues and the cost of getting each under control.

1-78. On page 6 of Mr. Ege's testimony, he states that there are some environmental issues for Miami Fort 6 raised by the Clear Skies Act. Please provide an estimate of the cost of Miami Fort 6 complying with this proposal, including a description of the actions that would need to be taken to comply.

1-79. In Mr. Snead's testimony, he discusses using the MISO transmission lines. Will ULH&P be required to join the MISO, and if so, please provide the annual cost of membership?

1-80. On page 11 of her testimony, Ms. Rose discusses her concerns about the credit worthiness of parties that contract to sell power. Does her concern extend to large regulated utilities such as LG&E, KU and AEP? If so, please explain why.

1-81. In her testimony, Ms. Rose recommends a 21% reserve margin for ULH&P. Please square this recommendation with Ms. Jenner's calculated 16.4% reserve margin.

1-82. Please provide all calculations, assumptions and workpapers used by Ms. Rose to produce her projected gas and market power price projections.

1-83. Please provide all calculations, assumptions and workpapers used by Ms. Rose to produce her market value of the three power plants as described on page 23 of her testimony.

Please also explain how the actual capacity factors and amount of power actually produced by these plants is used in the development of the market values.

1-84. On page 23 of her testimony, Ms. Rose discusses off-system sales from these plants. while her assessment assigns no value to these off-system sales, these sales are a reality and do generate a margin. Please provide the projected off-system sales from these units and the projected annual margin from these sales.

1-85. At the bottom of page 24 of her testimony, Ms. Rose discusses the risk of losing a Woodsdale unit and having to go to the market. Is this risk minimized because both the Woodsdale units and the units on the market have a similar cost based on the current price of natural gas?

1-86. On page 25 of her testimony, Ms. Rose states that reserves are appropriate up to the point at which the cost of the reserves are higher than the market. Please provide the analysis that shows that the Woodsdale reserves are more cost effective than the market.

1-87. Please explain why Ms. Rose, on page 39 of her testimony believes that CO_2 controls are outside the range of reasonableness despite the fact that many other countries have implemented such controls.

1-88. Please provide all calculations, assumptions and workpapers used by Ms. Jenner to prepare her Integrated Resource Plan and optimum scenario.

1-89. After evaluating 2800 different options, Plan #1 was found to be optimum. This plan says the optimum generation mix includes 280 MW of peaking capacity. Please explain why the proposed sales includes almost double the amount of peaking capacity that the IRP analysis found was optimal.

1-90. Page 20 of Ms. Jenner's testimony states that over 2800 options were reviewed. It does not appear that any of these options include low cost run-of-river hydro. Since Cinergy is currently considering purchase of hydropower from some Ohio River sites, why didn't Ms. Jenner consider this option?

1-91. Page 20 of Ms. Jenner's testimony states that over 2800 options were reviewed. Did Ms. Jenner consider any options where ULH&P bought less than all of the assets offered, such as only half of the Woodsdale units or declining to purchase Miami Fort 6 due to its age? If not, why not?

1-92. If the Kentucky Commission approves the purchase of some, but not all, of the assets CG&E is offering to ULH&P, would this be acceptable to Cinergy or is this an all or nothing proposal?

1-93. Please provide the cost on new Combustion Turbines assumed in Ms. Jenner's analysis and the source of those figures.

1-94. Did ULH&P solicit bids for either generating capacity or long-term sales contracts, to determine the current market price of these options? If not, why not?

1-95. On page 10 of her testimony, Ms. Jenner mentions a list of 100 capacity options evaluated. Please provide this list.

1-96. On page 12 of her testimony, Ms. Jenner states that she relied upon a report titled "Repowering the Midwest". Please provide a copy of this report.

1-97. On page 35 of her testimony, Ms Jenner states that the option of a market based full-requirements PPA was considered. Did ULH&P consider and/or attempt to acquire a fixed or regulated cost full requirements PPA, such as it had in the past with CG&E, from other neighboring utilities? If not, please state why not?

1-98. On page 34 of her testimony, Ms. Jenner states that she considered renewables but they are not feasible. Please provide an explanation why low-cost hydropower that has been offered to CG&E was not considered "economically attractive" and was not considered?

1-99. On page 35 of her testimony, Ms. Jenner states that off-system sales were constrained in the STRATEGIST model of the EastBend/Miami Fort 6/Woodsdale option. Please rerun this scenario with off-system sales allowed and provide a comparison of the cost of the option with and without off-system sales.

1-100. Does the East Bend/Miami Fort 6/Woodsdale option evaluated by Ms. Jenner assume that all ULH&P load will be met by these three plants, or does it assume that power will also be needed from CG&E under the PSOA. If power is to be taken under the PSOA, please provide the amount of power STRATEGIST assigns to ULH&P from CG&E, compared to the amount of power ULH&P can generate on its own.

1-101. To better understand the value of the back-up PSA, please rerun the STRATEGIST model of the EastBend/Miami Fort 6/Woodsdale option, but without the back-up PSA, and compare the difference in cost of the two runs to the cost of the back-up PSA.

1-102. Did ULH&P evaluate the option of purchasing an "iron in the ground" peaking facility from a merchant company that is having financial problems and may be willing to sell the peaking facility at a very good price, instead of buying the Woodsdale plant? If not, why not. If so, please provide a summary of the evaluation.

1-103. Please provide all the calculations assumptions and workpapers used by Mr. Steffen to compare ULH&P rates before and after the proposed purchase of generating assets.

1-104. As ULH&P is only about one-eighth of the CG&E system, please explain why CG&E wants to sell a majority of its peaking generation to ULH&P when such a sale will result in approximately half of the ULH&P generating capacity being peaking while leaving CG&E with very little peaking capacity? Why shouldn't both system have a more balanced portfolio of peaking and base units?