



Cinergy Services, Inc.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

The Bank of New York,
as Trustee under the First Mortgage
dated as of August 1, 1936, as amended
and/or supplemented, between The Cincinnati
Gas & Electric Company and The Bank of New York
101 Barclay Street, 8w
New York, N.Y. 10286

Dear Ms. Patricia E. Gallagher:

The Cincinnati Gas & Electric Company (the "Company") hereby makes application, pursuant to Section 3 of Article Eleven of the above described First Mortgage, to obtain the release of the mortgaged and pledged property described in Exhibits A to the Forms of Release of Mortgage enclosed herewith, which certain property has been conveyed or is to be conveyed by the Company to its wholly owned subsidiary, The Union Light, Heat and Power Company.

In connection with this request, we enclose the following:

1. Certified copy of resolutions adopted by the Board of Directors of the Company effective as of January 1, 2006 (Exhibit A);
2. Engineer's and Treasurer's Certificate (Exhibit B), including the independent Engineer's Certificate (Annex A to Exhibit B);
3. Certificate of Vice President and Assistant Treasurer and Certificate of Waiver (Exhibit C), including Annex A to Exhibit C;
4. Opinion of Counsel (Exhibit D);
5. Forms of Release of Mortgage (three copies enclosed, please return two to us).

The aggregate principal amount of bonds retired before the date of this application and available as the basis for (i) the authentication and delivery of new bonds or (ii) the release of mortgaged

and pledged property is One Billion Two Hundred Eighty-eight Million Three Hundred Eighteen Thousand Eight Hundred Eighty-two Dollars and Five Cents (\$1,288,118,882.05) based upon the retirement of bonds previously outstanding, net of the December 14, 2005, release of mortgaged and pledged property totaling Two Hundred Thousand Dollars and Zero cents (\$200,000.00). Upon the approval of this application, the aggregate principal amount of such available retired bonds will be reduced by the aggregate amount of One Hundred Forty-seven Million Sixty-one Thousand Four Hundred Dollars and Zero Cents (\$147,061,400.00)], leaving a balance of One Billion One Hundred Forty-one Million Fifty-seven Thousand Four Hundred Eight-two Dollars and Five Cents (\$1,141,057,482.05).

Effective as of January 1, 2006.

Sincerely yours,

THE CINCINNATI GAS & ELECTRIC
COMPANY

By Wendy L. Aufmiller
Wendy L. Aufmiller
Vice President and Treasurer

Enclosures

EXHIBIT A

CERTIFICATE of ASSISTANT SECRETARY

I, RICHARD G. BEACH, DO HEREBY CERTIFY that I am the Assistant Secretary of The Cincinnati Gas & Electric Company, an Ohio corporation (hereinafter referred to as the "Corporation"), and that as such Assistant Secretary, I have the custody of the corporate records, except for the accounting records.

I DO HEREBY FURTHER CERTIFY that the following resolutions (the "Resolutions") of the Board of Directors of the Corporation (the "Board") constitute a true and complete copy of the Resolutions that were duly adopted by the Board effective as of January 1, 2006.

WHEREAS, the Corporation is the owner of that certain property set forth on Exhibit A, attached hereto (the "Property") and which is located on the premises of the East Bend, Miami Fort and Woodsdale Generating Stations currently owned (or partially owned) and operated by the Corporation; and

WHEREAS, the Board has deemed it advisable and in the best interest of the Corporation to transfer ownership of the Property and of certain debt obligations to the Union Light, Heat and Power Company ("ULH&P"), as part of the acquisition by ULH&P of the Corporation's undivided sixty-nine percent (69%) interest in the 648MW East Bend No. 2 coal-fired baseload unit located in or near Rabbit Hash, Kentucky, the 168MW Miami Fort No. 6 coal-fired unit located in or near North Bend, Ohio, and the 490MW Woodsdale Generating Station (with the exception of certain property, including without limitation certain transmission assets, which will remain the property of the Corporation) located in or near Trenton, Ohio (the "Transaction"); and

WHEREAS, in order to proceed with the Transaction, the Property subject to the lien of the Corporation's Indenture, dated as of August 1, 1936, as amended and supplemented (the "First Mortgage") must be released by The Bank of New York, Trustee under the First Mortgage (the "Trustee"); and

WHEREAS, the Property was all acquired and was placed in service at the above referenced generating stations subsequent to the general release of property from the lien of the First Mortgage at such generating stations as of September 1, 2000; and

WHEREAS, the Corporation has not issued First Mortgage Bonds for which the Property was pledged as security and the Property is not "funded property" as defined in Section 5 of Article One of the First Mortgage; and

WHEREAS, even if all or any portion of the Property consisted of "funded property" under the First Mortgage, the Corporation would still be entitled to have the Property released from the lien of the First Mortgage pursuant to the provisions of Section 3 of Article Eleven related to waiver by the Corporation of its right to have certain First Mortgage Bonds issued upon retirement of Bonds previously outstanding under Section 1 of Article Six of the First Mortgage.

provided in Section 3 of Article One of the Company's First Mortgage Indenture dated as of August 1, 1936, between the Company and The Bank of New York, as Trustee, as it is and may be supplemented and amended.

I DO HEREBY FURTHER CERTIFY that said Engineer Appointment Resolutions now appear of record in the minute books of the Corporation, and at this date said Resolutions are in full force and of binding effect and have not been altered or amended with respect to the foregoing appointments of John Roebel and Sargent & Lundy.

IN WITNESS WHEREOF, I have hereunto subscribed my name effective as of January 1, 2006.

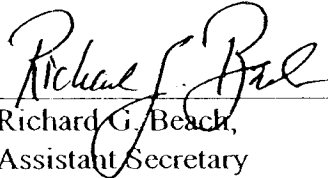

Richard G. Beach,
Assistant Secretary
The Cincinnati Gas & Electric Company

EXHIBIT B

THE CINCINNATI GAS & ELECTRIC COMPANY

ENGINEER'S and TREASURER'S CERTIFICATE

The undersigned, John J. Roebel, Engineer, and Wendy L. Aumiller, Vice President and Treasurer, of The Cincinnati Gas & Electric Company (the "Company"), in accordance with the requirements of Section 3 of Article Eleven of the First Mortgage dated as of August 1, 1936, as amended and supplemented, between the Company and The Bank of New York, as Trustee (the "First Mortgage"), and in connection with the release of the property described or identified in the letter from Wendy L. Aumiller under authority granted by the resolutions effective as of June 1, 2005, by the Board of Directors of the Company, a copy of which, certified by the Secretary of the Company as of the date hereof, accompanies this certificate, DO HEREBY CERTIFY THAT:

1. The fair value, in the opinion of the undersigned, of the aforesaid property to be released is One Hundred Forty-seven Million Sixty-one Thousand Four Hundred Dollars and Zero Cents (\$147,061,400.00). In accordance with sub-part (2) of Section 3 of Article Eleven of the First Mortgage, attached as Annex A is the Independent Engineer's Certificate issued by the independent engineer, Sargent & Lundy, L.L.C., certifying as to the fair value of the aforesaid property.

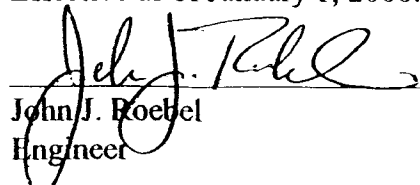
2. Such release is, in the opinion of the undersigned, desirable in the conduct of the business of the Company.

3. Such property is unfunded property, as defined in Section 5 of Article One of the First Mortgage.

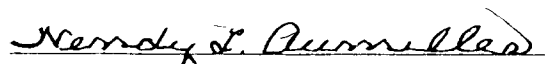
4. In the opinion of the undersigned, the release will not impair the security under the First Mortgage in contravention of the provisions thereof.

5. Each of them has read the conditions and covenants of the First Mortgage relating to the release of mortgaged and pledged property, as contained in Section 3 of Article Eleven thereof, and the provisions therein referred to; the matters stated in this certificate are within the personal knowledge of each of the undersigned by virtue of the nature of their employment by an affiliate of the Company and their general familiarity with the Company; in the opinion of each of the undersigned he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such conditions and covenants have been complied with; and, in the opinion of each of the undersigned, such conditions and covenants have been complied with.

Effective as of January 1, 2006.



John J. Roebel
Engineer
176101



Wendy L. Aumiller
Vice President and Treasurer

Independent Engineer's Certificate

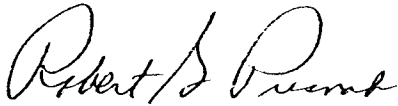
The Bank of New York,
as Trustee under the First Mortgage
dated as of August 1, 1936, as amended
and/or supplemented (the "First Mortgage"),
between The Cincinnati Gas & Electric
Company (the "Company") and The
Bank of New York
101 Barclay Street, 8w
New York, N.Y. 10286

SARGENT & LUNDY, L.L.C. (the "Independent Engineer") makes this Engineer's Certificate in accordance with the provisions of sub-part (2) of Section 3 of Article Eleven of the First Mortgage. Capitalized terms used in this Engineer's Certificate and not otherwise defined in this Engineer's Certificate shall have the meanings ascribed to them in the First Mortgage.

The undersigned certifies that in the undersigned's opinion, the Fair Value to the Company of capital improvement projects at East Bend 2, Miami Fort 6, Woodsdale 1-6 during the period September 2000 through December 2005, described in Attachments A through D, as of January 1, 2006, is One Hundred Forty-Seven Million Sixty-One Thousand Four Hundred Dollars (\$147,061,400).

Dated effective as of January 1, 2006

SARGENT & LUNDY, L.L.C.

By: 

Robert G. Presnak
Senior Vice President

EXHIBIT C

THE CINCINNATI GAS & ELECTRIC COMPANY

Certificate of Vice President and Assistant Treasurer and Certificate of Waiver

The undersigned, Wendy L. Aumiller, Vice President and Treasurer, and Bradley C. Arnett, Assistant Treasurer, of The Cincinnati Gas & Electric Company, an Ohio corporation (the "Company"), in accordance with the requirements of Section 1 of Article Six and Section 3 of Article Eleven of the Indenture dated as of August 1, 1936, as amended and supplemented, between the Company and The Bank of New York, as Trustee (the "First Mortgage"), and in connection with the release of the property described or identified in the letter of even date herewith from Wendy L. Aumiller under authority granted by a resolution adopted by the Board of Directors of the Company effective as of January 1, 2006, a copy of which, certified by the Secretary of the Company as of the date hereof, accompanies this certificate,

DO HEREBY CERTIFY THAT:

1. The Company is not, to the knowledge of the undersigned, in default under any of the provisions of the First Mortgage.

2. Attached as Exhibit A is an itemized list of the bonds previously retired totaling One Billion Two Hundred Eighty-eight Million One Hundred Eighteen Thousand Eight Hundred Eighty-two Dollars and Five Cents (\$1,288,118,882.05). In accordance with Section 1 of Article Six of the First Mortgage, the Company is entitled to issue an additional One Billion Two Hundred Eighty-eight Million One Hundred Eighteen Thousand Eight Hundred Eighty-two Dollars and Five Cents (\$1,288,118,882.05) of additional bonds based upon the retirement of bonds previously outstanding, and this amount is net of the December 14, 2005, release of mortgaged and pledged property totaling Two Hundred Thousand Dollars and Zero Cents (\$200,000.00).

3. In lieu of issuing additional bonds in the amount of One Hundred Forty-seven Million Sixty-one Thousand Four Hundred Dollars and Zero Cents (\$147,061,400.00), the Company desires to release property from the lien of the mortgage in such amount, thereby reducing the amount of additional bonds it may issue based upon retired bonds to One Billion, One Hundred Forty-one Million, Fifty-seven Thousand, Four Hundred Eighty-two Dollars and Five Cents (\$1,141,057,482.05), as set forth on Annex 1.

We have read the foregoing Certificate signed by us and the statements therein contained are true.

Wendy L. Aumiller
Wendy L. Aumiller
Vice President and Treasurer

Bradley C. Amett
Bradley C. Amett
Assistant Treasurer

Severally subscribed and sworn to
before me this 18 day of January 2006.

Julie M. Thompson
Notary Public



JULIE M. THOMPSON
Notary Public, State of Ohio
My Commission Expires 11-18-10

THE CINCINNATI GAS & ELECTRIC COMPANY

Rate	Series Redeemed That are Eligible for Reissuance	Principal Amount Redeemed Eligible for Reissuance	January, 2006 Property Release Re Transfer of Assets to ULH&P	Principal Amount Redeemed Eligible for Reissuance
6.75%	Series Due 2006	\$ 22,425,882.05	\$ 22,425,882.05	\$ -
9.250%	Series Due 2016			
9.625%	Series A Due 2013	21,400,000.00	21,400,000.00	-
9.625%	Series B Due 2013	10,300,000.00	10,300,000.00	-
9.125%	Series Due 2008	75,000,000.00	75,000,000.00	-
8.550%	Series Due 2006	75,000,000.00	17,935,517.95	61,114,081.17
8.250%	Series Due 2000	60,000,000.00		60,000,000.00
9.700%	Series Due 2019	41,000,000.00		41,000,000.00
10.125%	Series Due 2020	45,000,000.00		45,000,000.00
10.200%	Series Due 2020	4,000,000.00		4,000,000.00
10.200%	Series Due 2020	9,500,000.00		9,500,000.00
10.125%	Series Due 2015	84,000,000.00		84,000,000.00
10.200%	Series Due 2020	5,000,000.00		5,000,000.00
8.950%	Series Due 2021	16,000,000.00		16,000,000.00
5.875%	Series Due 1997	30,000,000.00		30,000,000.00
6.250%	Series Due 1997	100,000,000.00		100,000,000.00
7.375%	Series Due 2001	19,493,000.00		19,493,000.00
7.375%	Series Due 1999	50,000,000.00		50,000,000.00
5.800%	Series Due 1999	110,000,000.00		110,000,000.00
7.200%	Series Due 2023	34,500,000.00		34,500,000.00
7.250%	Series Due 2002	100,000,000.00		100,000,000.00
7.200%	Series Due 2023	265,500,000.00		265,500,000.00
6.45%	Series Due 2004	110,000,000.00		110,000,000.00
Bonds Issuable		\$1,288,118,882.05	\$ 147,061,400.00	\$ 1,141,057,482.05

EXHIBIT D

Cinergy Services, Inc.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201 USA
tel 513.287.2492
fax 513.287.3810
bdumond@cinergy.com

J. William DuMond
Senior Counsel

The Bank of New York,
as Trustee under the First Mortgage dated
as of August 1, 1936 as amended and/or
supplemented by thirty-nine indentures
supplemental thereto, between The Cincinnati
Gas & Electric Company and The Bank
of New York ("First Mortgage")

Corporate Trust Department
101 Barclay Street
New York, New York 10286

Ladies and Gentlemen:

As Counsel for The Cincinnati Gas & Electric Company (the "Company"), I have examined its application to you for release of property from the lien of the First Mortgage and attached exhibits, and all other proceedings taken by it, as described or identified in the letter of Wendy L. Aumiller, Vice President and Treasurer, of even date herewith, under authority granted by a resolution adopted by the Board of Directors of the Company effective as of January 1, 2006, a certified copy of which, accompanies this opinion.

Based upon such examination, my opinion is as follows ("Opinion"):

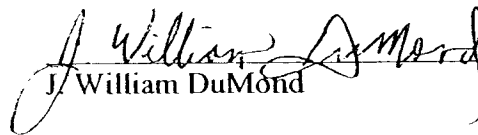
- (1) the Company is not, to my knowledge, in default under any of the provisions of said First Mortgage as amended and supplemented;
- (2) the proposed release of property on the basis of the Company's waiver of its right to have One Hundred Forty-Seven Million Sixty-One Thousand Four Hundred Dollars and Zero Cents (\$147,061,400.00) principal amount of additional bonds authenticated and delivered pursuant to Section 1 of Article Six and Section 3 of Article Eleven of said First Mortgage has been duly authorized by the Company;
- (3) the sale of the property, the proposed release of which is the subject of the aforesaid application, has been duly authorized by the Company; and
- (4) the actions of Wendy L. Aumiller, Vice President and Treasurer of the Company, in describing, and requesting the release of, said property, in accordance with subdivision (1) of Section 3 of Article Eleven of said First Mortgage, were taken under authority of said resolution of the Board of Directors of the Company, pursuant to proper delegation by said Board, and such actions are therefore effective for all purposes as the actions of said Board of Directors

In connection with this Opinion, I have read all the conditions and covenants provided by said First Mortgage, as amended and supplemented, relating to the release of mortgaged and pledged property pursuant to Section 3 of Article Eleven thereof. I have considered my personal

knowledge acquired in the course of acting as counsel for the Company, my examination of various records of the Company and conferences with various officers and employees of the Company with knowledge of the relevant facts. In my opinion I have made such examination or investigation as is necessary to enable me to express an informed opinion as to whether or not such conditions and covenants have been complied with, and in my opinion such conditions and covenants, and the conditions precedent provided for in said First Mortgage (including any covenants compliance with which constitutes a condition precedent) relating to the actions requested in such application, have been complied with. Additionally, said release is authorized and permitted under the First Mortgage.

Effective as of January 1, 2006

Sincerely,


J. William DuMond