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January 25, 2006

Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Dear Secretary Salas:

Cinergy Services, Inc. ("Cinergy Services"), on behalf of The Union Light, Heat and Power Company ("ULH&P") and The Cincinnati Gas & Electric Company ("CG&E"), hereby notifies the Commission of its withdrawal of the Purchase, Sale and Operation Agreement ("PSOA") between CG&E and ULH&P. The PSOA, which Cinergy Services filed on September 27, 2004, as amended March 15, 2005, provides the terms and conditions pursuant to which certain generating facilities being transferred by CG&E to ULH&P will continue to be jointly dispatched.

The Commission recently approved the PSOA and revisions thereto.<sup>1</sup> However, the PSOA is no longer necessary because of the Midwest Independent Transmission System Operator, Inc.'s ("Midwest ISO") Day 2 markets. The Midwest ISO's Day 2 electric energy markets, which commenced operations on April 1, 2005, provide the market clearing price for the region and allow for joint dispatch of all resources in the region. Because the PSOA was terminated before the plants were transferred, the PSOA did not become effective and no transaction ever occurred under the PSOA. Cinergy Services therefore withdraws its filings dated September 27, 2004 and March 15, 2005 and requests that Docket No. ER04-1248-000, *et al.*, be terminated.

<sup>1</sup> See *Union Light, Heat and Power Co.*, 110 FERC ¶ 61,212 (2005) (approving initial PSOA); *Union Light, Heat and Power Co.*, 111 FERC ¶ 61,341 (2005) (approving revisions to PSOA).

Magalie R. Salas  
January 25, 2006  
Page 2

Diego Gomez  
Senior Counsel  
Cinergy Services, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201-0960  
(513) 287-3369

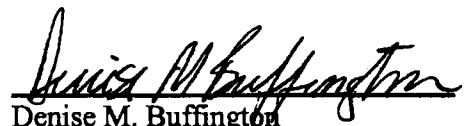
Respectfully submitted,



Glen Bernstein  
Denise M. Buffington  
Skadden, Arps, Slate, Meagher  
& Flom LLP  
1440 New York Avenue, NW  
Washington, DC 20005  
(202) 371-7000

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused to be served a copy of the foregoing upon all parties on the service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.



Denise M. Buffington

Skadden, Arps, Slate, Meagher & Flom LLP  
1440 New York Ave., N.W.  
Washington, D.C. 20005  
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dbuffing@skadden.com

Dated: January 25, 2006



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FEDERAL ENERGY REGULATORY COMMISSION

January 25, 2006

Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: Cincinnati Gas & Electric Co., Docket No. ER05-1366-\_\_\_\_  
PSI Energy, Inc., Docket No. ER05-1367-\_\_\_\_  
Union Light Heat & Power Company, Docket No. ER05-1368-\_\_\_\_  
Cinergy Marketing & Trading, LP, Docket No. ER05-1369-\_\_\_\_  
Brownsville Power I. L.L.C., Docket No. ER05-1370-\_\_\_\_  
Caledonia Power I. ,L.L.C., Docket No. ER05-1371-\_\_\_\_  
CinCap IV, LLC, Docket No. ER05-1372-\_\_\_\_  
CinCap V, LLC, Docket No. ER05-1373-\_\_\_\_  
Cinergy Capital & Trading, Inc., Docket No. ER05-1374-\_\_\_\_  
Cinergy Power Investments, Inc., Docket No. ER05-1375-\_\_\_\_  
St. Paul Cogeneration, LLC, Docket No. ER05-1376-\_\_\_\_

Dear Secretary Salas:

Cinergy Services, Inc. ("Cinergy"), on behalf of the above-referenced Cinergy affiliates with market-based rate authority (collectively, the "Cinergy Affiliates"), is filing this letter to notify the Commission that The Cincinnati Gas & Electric Company ("CG&E") has transferred certain generating facilities to The Union Light, Heat and Power Company ("ULH&P") effective January 1, 2006 (the "Transfer"). Cinergy does not believe that this filing is required by the Commission's Change in Status reporting requirements. *See Reporting Requirement for Changes in Status for Pub. Utils. with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, Order No. 652-A, 111 FERC ¶

Magalie R. Salas, Secretary  
January 25, 2005  
Page 2

61,413 (2005). First, Cinergy notified the Commission of the Transfer in an August 19, 2005 filing in the above-captioned dockets ("August 19 Filing"), whereby Cinergy submitted for filing initial and amended market-based rate tariffs. *See, e.g.*, August 19 Filing at 8-9. The Commission accepted the August 19 Filing on November 22, 2005. *See Cincinnati Gas & Elec. Co.*, 113 FERC ¶ 61,197 (2005). The Commission thus already has taken the Transfer into account in its review of the Cinergy Affiliates' market-based rate authority. *See Order No. 652-A*, 111 FERC ¶ 61,413 at P 9 (2005) ("[M]arket-based rate sellers need not report changes in status that the Commission has already taken into account in an initial application for market-based rate authority or in a subsequent triennial review."). Second, because the Transfer does not increase the Cinergy Affiliates' ownership or control over generation, the Transfer is not relevant to the Commission's four-part analysis for market-based rate authority. *See Order No. 652*, FERC Stats. & Regs. ¶ 31,175 at P 26 ("[T]he reporting requirement is limited to reviewing changes in status relevant to the Commission's current four-part analysis for market-based rate authority."). Cinergy is making this filing only out of an abundance of caution.

Cinergy reports that effective January 1, 2006 CG&E has transferred to ULH&P (a) CG&E's entire ownership share (447 MW nameplate rating) in the East Bend Generating Station, a coal-fired station in Rabbit Hash, Kentucky, (b) the Woodsdale Generating Station, a 490 MW (nameplate rating) dual-fuel combustion-turbine peaking station that operates on either natural gas or propane, and (c) the Miami Fort Unit 6, a 168 MW (nameplate rating) coal-fired unit located in North Bend, Ohio. The three electric generating stations have a combined generating capacity (nameplate rating) of 1,105 MW. ULH&P is a wholly-owned, direct subsidiary of CG&E.

Please contact the undersigned with any questions or concerns regarding this matter.

Respectfully submitted,



Glen Bernstein  
Denise M. Buffington  
Skadden, Arps, Slate,  
Meagher & Flom LLP  
1440 New York Avenue, N.W.  
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Diego A. Gómez  
Senior Counsel  
Cinergy Services, Inc.  
139 East Fourth Street, EA025  
Cincinnati, OH 45201  
(513) 287-3369

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused to be served a copy of the foregoing upon all parties on the service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.



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& Flom LLP  
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Dated: January 25, 2006





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REGULATORY COMMISSION

January 25, 2006

Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

Dear Secretary Salas:

Cinergy Services, Inc. ("Cinergy Services"), on behalf of The Cincinnati Gas & Electric Company ("CG&E") and PSI Energy, Inc. ("PSI"), hereby submits an original and six (6) copies of a Notice of Termination to the Joint Generation Dispatch Agreement ("JGDA") between CG&E and PSI. The parties' agreement to terminate the JGDA is memorialized in a letter signed and dated September 15, 2005 ("Termination Agreement").

In addition, Cinergy Services submits for filing a Notice of Cancellation for CG&E FERC Electric Rate Schedule No. 57 and PSI FERC Electric Rate Schedule No. 269 (which are the rate schedules for the JGDA). Cinergy Services requests that the Commission allow the termination of the JGDA to become effective on January 1, 2006, the termination date set forth in the Termination Agreement.

**I. Contents of this Filing**

This filing consists of an original and six (6) copies of the following:

- This Transmittal Letter;
- Termination Agreement: Letter from Kay Pashos, President, PSI Energy, Inc. to Gregory C. Ficke, President, The Cincinnati Gas & Electric Company, James E. Rogers, Jr., President, Cinergy Services, Inc. and Michael C. Cyrus,

President, Cinergy Power Investments, Inc. terminating the JGDA (Attachment A);

- A Notice of Cancellation of CG&E Rate Schedule FERC No. 57 and PSI Rate Schedule FERC No. 269 (Attachment B); and
- Revised tariff sheets to the designated FERC Electric Rate Schedules indicating that they have been cancelled (Attachment C).

## **II. Communications and Service**

Cinergy Services requests that service and correspondence concerning this filing be sent to:

Glen Bernstein  
Denise M. Buffington  
Skadden, Arps, Slate, Meagher  
& Flom LLP  
1440 New York Avenue, NW  
Washington, DC 20005  
Phone: (202) 371-7256  
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Diego Gomez  
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[diego.gomez@cinergy.com](mailto:diego.gomez@cinergy.com)

## **III. Reason for this Filing**

The JGDA, among other things, provides the terms and conditions pursuant to which the generating facilities of PSI are jointly dispatched with the facilities of CG&E and governs the price for energy sales between PSI and CG&E. The JGDA is no longer necessary because of the Midwest Independent Transmission System Operator, Inc.'s ("Midwest ISO") Day 2 markets. The Midwest ISO's Day 2 electric energy markets, which commenced operations on April 1, 2005, provide the market clearing price for the region and allow for joint dispatch of all resources in the region, including PSI and CG&E generation. Therefore termination of the JGDA and the corresponding FERC Electric rate schedules is appropriate.

## **IV. Notice of Cancellation, Request for Waivers and Affected Parties**

Pursuant to sections 35.15 and 131.53 of the Commission's Regulations, 18 C.F.R. §§ 35.15 and 131.53 (2005), Cinergy Services submits a Notice of Cancellation of FERC Electric Rate Schedule Nos. 57 (CG&E) and 269 (PSI), which are the rate schedules for the JGDA. Cinergy Services requests that, to the extent

Magalie R. Salas  
January 25, 2006  
Page 3

necessary, the Commission waive the prior notice requirements of its regulations to permit acceptance of the Notice of Termination of the JGDA and cancellation of FERC Electric Rate Schedules Nos. 57 and 269 effective January 1, 2006. The only parties affected by the cancellation of the JGDA are CG&E and PSI. As explained above, CG&E and PSI request a January 1, 2006 effective date in order to coincide with the effective date of the Termination Agreement.

Respectfully submitted,



Diego Gomez  
Senior Counsel  
Cinergy Services, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201-0960  
(513) 287-3369

Glen Bernstein  
Denise M. Buffington  
Skadden, Arps, Slate, Meagher  
& Flom LLP  
1440 New York Avenue, NW  
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Enclosures

## **Attachment A**



Cinergy / PSI  
1000 E Main Street  
Plainfield, IN 46168  
tel 317.838.1236  
fax 317.838.2111  
cell 317.431.4599  
kay.pashos@cinergy.com

**Kay E. Pashos**  
President  
PSI Energy, Inc.

September 15, 2005

**Gregory C. Ficke**  
President  
The Cincinnati Gas & Electric Company  
221 East Fourth Street, 28<sup>th</sup> Floor  
Cincinnati, Ohio 45202

**James E. Rogers, Jr.**  
President  
Cinergy Services, Inc.  
221 East Fourth Street, 30<sup>th</sup> Floor  
Cincinnati, Ohio 45202

**Michael J. Cyrus,**  
President  
Cinergy Power Investments, Inc.  
221 East Fourth Street, 30<sup>th</sup> Floor  
Cincinnati, Ohio 45202

Gentlemen:

This letter provides notice that PSI Energy, Inc., in agreement with the other parties to the Joint Generation Dispatch Agreement ("JGDA"), The Cincinnati Gas & Electric Company, Cinergy Power Investments, Inc., and Cinergy Services, Inc., intends to terminate the JGDA effective as early as January 1, 2006, consistent with Section 2.03 of the JGDA.

Sincerely,

**Kay Pashos**  
President, PSI Energy, Inc.

## **Attachment B**

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

The Cincinnati Gas & Electric Company     )  
PSI Energy, Inc.                                     )     Docket No. ER06-\_\_\_\_-000

NOTICE OF CANCELLATION

Pursuant to Section 35.15 of the Commission's Rules, 18 C.F.R. § 35.15 (2005), notice is hereby given that, effective on January 1, 2006, The Cincinnati Gas & Electric Company ("CG&E") FERC Electric Rate Schedule No. 57 and PSI Energy, Inc. ("PSI") FERC Electric Rate Schedule 269 filed by Cinergy Services, Inc., on behalf of CG&E and PSI with the Federal Energy Regulatory Commission in Docket No. ER02-177-000 *et al.*, is to be cancelled.

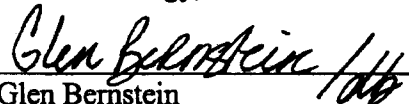
Notice of the proposed cancellation has been served upon the following parties:

Gregory C. Ficke, President  
The Cincinnati Gas & Electric Company  
221 East Fourth Street, 28<sup>th</sup> Floor  
Cincinnati, Ohio 45202

James E. Rogers, President  
Cinergy Services, Inc.  
221 East Fourth Street, 30<sup>th</sup> Floor  
Cincinnati, Ohio 45202

Michael J. Cyrus, President  
Cinergy Power Investments, Inc.  
221 East Fourth Street, 30<sup>th</sup> Floor  
Cincinnati, Ohio 45202

The Cincinnati Gas & Electric Company  
and PSI Energy, Inc.

  
\_\_\_\_\_  
Glen Bernstein  
Skadden, Arps, Slate, Meagher & Flom LLP  
1440 New York Avenue, NW  
Washington, DC 20005

*Counsel for The Cincinnati Gas & Electric  
Company and PSI Energy, Inc.*

Dated: January 25, 2006

## Attachment C



The Cincinnati Gas & Electric Company  
Rate Schedule FERC No. 57

Original Sheet No. 1

**Cancels**

**Joint Generation Dispatch Agreement**

**Rate Schedule FERC No. 57**

**Notice of Cancellation**

**Issued by: James B. Gainer, Vice President &  
General Counsel Regulated Businesses**

**Effective: January 1, 2006**

**Issued on: January 25, 2006**

**PSI Energy, Inc.**  
**Rate Schedule FERC No. 269**

**Original Sheet No. 1**

**Cancels**

**Joint Generation Dispatch Agreement**

**Rate Schedule FERC No. 269**

**Notice of Cancellation**

**Issued by: James B. Gainer, Vice President &  
General Counsel Regulated Businesses**

**Effective: January 1, 2006**

**Issued on: January 25, 2006**

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused to be served a copy of the foregoing upon all parties on the service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.



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Dated: January 25, 2006



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January 25, 2006

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Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: The Cincinnati Gas and Electric Company, ER04-1249-\_\_\_

Dear Secretary Salas:

The Cincinnati Gas & Electric Company ("CG&E") hereby submits for filing an amended Facilities Operation Agreement ("Agreement") between CG&E and The Union Light, Heat and Power Company ("ULH&P"). The transfer of generating facilities from CG&E to ULH&P occurred effective January 1, 2006. Accordingly, CG&E is filing an amended Agreement with the Commission containing the actual effective date of this Agreement. Please contact the undersigned with any questions regarding this matter.

Respectfully submitted,



Glen Bernstein  
Denise M. Buffington  
Skadden, Arps, Slate, Meagher  
& Flom LLP  
1440 New York Avenue, NW  
Washington, DC 20005  
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Enclosures

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February 23, 2006

ER06-548-001

Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

RE: The Cincinnati Gas & Electric Company, ER04-1249-

Dear Secretary Salas:

On January 25, 2006, The Cincinnati Gas & Electric Company ("CG&E") submitted for filing an amended Facilities Operation Agreement ("Agreement") between CG&E and The Union Light, Heat and Power Company ("ULH&P"). It has come to our attention that this Agreement was inadvertently submitted as Rate Schedule No. 58. This designation, however, was already given to the Joint Transmission System Planning and Operating Agreement between CG&E and PSI Energy, Inc.<sup>1</sup> Therefore, in order to correct this inadvertent error, CG&E is resubmitting the Agreement as Rate Schedule No. 60. Accordingly, a clean copy and a blacklined copy of the Agreement are attached.

If you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

  
Denise M. Buffington

Counsel for The Cincinnati Gas & Electric Co.

Enclosures

<sup>1</sup> See *Cinergy Servs., Inc.*, 98 FERC ¶ 61,306 (2002).

## Amended Facilities Operation Agreement

See Tab 8