

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
COST OF CAPITAL SUMMARY
AS OF MAY 31, 2005

DATA: "X" BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. L. AUMILLER

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		199,126,252	59.058%	11.200%	6.614%
2	Long-Term Debt	J-3	99,607,232	29.542%	6.788%	2.005%
3	Short-Term Debt	J-2	<u>38,439,157</u>	<u>11.400%</u>	3.425%	<u>0.390%</u>
4						
5	Total Capital		<u>337,172,641</u>	<u>100.000%</u>		<u>9.009%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>2,520,358</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		200,614,725	59.058%	11.200%	6.614%
15	Long-Term Debt		100,351,796	29.542%	6.788%	2.005%
16	Short-Term Debt		<u>38,726,478</u>	<u>11.400%</u>	3.425%	<u>0.390%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>339,692,999</u>	<u>100.000%</u>		<u>9.009%</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
COST OF CAPITAL SUMMARY
THIRTEEN MONTH AVERAGE BALANCE

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECAST PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. L. AUMILLER

LINE NO.	CLASS OF CAPITAL	REFERENCE	13 MONTH AVG BALANCE (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		353,072,000	54.454%	11.200%	6.099%
2	Long-Term Debt	J-3	247,448,802	38.164%	6.302%	2.405%
3	Short-Term Debt	J-2	<u>47,866,829</u>	<u>7.382%</u>	3.875%	<u>0.286%</u>
4						
5	Total Capital		<u>648,387,631</u>	<u>100.000%</u>		<u>8.790%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>7,722,452</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		357,277,184	54.454%	11.200%	6.099%
15	Long-Term Debt		250,395,999	38.164%	6.302%	2.405%
16	Short-Term Debt		<u>48,436,900</u>	<u>7.382%</u>	3.875%	<u>0.286%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>656,110,083</u>	<u>100.000%</u>		<u>8.790%</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
AVERAGE FORECASTED-PERIOD CAPITAL STRUCTURE
CURRENT RATES

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: SEPTEMBER 30, 2006
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. L. AUMILLER

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		353,072,000	54.454%	11.200%	6.099%
2	Long-Term Debt	J-3	247,448,802	38.164%	6.302%	2.405%
3	Short-Term Debt	J-2	<u>47,866,829</u>	<u>7.382%</u>	3.875%	<u>0.286%</u>
4						
5	Total Capital		<u>648,387,631</u>	<u>100.000%</u>		<u>8.790%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>7,722,452</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		357,277,184	54.454%	11.200%	6.099%
15	Long-Term Debt		250,395,999	38.164%	6.302%	2.405%
16	Short-Term Debt		<u>48,436,900</u>	<u>7.382%</u>	3.875%	<u>0.286%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>656,110,083</u>	<u>100.000%</u>		<u>8.790%</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
AVERAGE FORECASTED-PERIOD CAPITAL STRUCTURE
PROPOSED RATES

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: SEPTEMBER 30, 2006
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. L. AUMILLER

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		357,974,000	55.230%	11.200%	6.186%
2	Long-Term Debt	J-3	247,448,802	38.177%	6.302%	2.406%
3	Short-Term Debt	J-2	<u>42,732,983</u>	<u>6.593%</u>	3.875%	<u>0.255%</u>
4						
5	Total Capital		<u>648,155,785</u>	<u>100.000%</u>		<u>8.847%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>7,722,452</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		362,239,110	55.230%	11.200%	6.186%
15	Long-Term Debt		250,397,003	38.177%	6.302%	2.406%
16	Short-Term Debt		<u>43,242,124</u>	<u>6.593%</u>	3.875%	<u>0.255%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>655,878,237</u>	<u>100.000%</u>		<u>8.847%</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
EMBEDDED COST OF SHORT-TERM DEBT
AS OF MAY 31, 2005
(CORPORATE)

DATA: "X" BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE J-2
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. L. AUMILLER

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING (B)	INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		(\$)	(%)	(\$)
1	<u>A/C 243: Capital Lease - Current</u>			
2				
3	Capital Lease - Meters (1999 Acquisitions)	89,635	6.708%	6,013
4	Capital Lease - Meters (2000 Acquisitions)	349,728	6.089%	21,295
5	Capital Lease - Meters (2001 Acquisitions)	122,831	5.997%	7,366
6	Capital Lease - Meters (2002 Acquisitions)	91,832	4.481%	4,115
7	Capital Lease - Meters (2003 Acquisitions)	167,005	4.740%	7,916
8	Capital Lease - Meters (2004 Acquisitions)	153,555	5.010%	7,693
9				
10	<u>A/C 233: Notes Payable to Assoc. Companies</u>			
11				
12	Notes Payable to Cinergy Corp. - Money Pool	0	0.000%	0
13				
14	<u>Sale of Accounts Receivable</u>			
15				
16	Amount Sold for Cash/Classified as Receivable	<u>37,464,571</u>	3.369%	<u>1,262,331</u>
17				
18	Totals	<u><u>38,439,157</u></u>		<u><u>1,316,729</u></u>
19				
20	Cost of Short-Term Debt			<u><u>3.425%</u></u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
EMBEDDED COST OF SHORT-TERM DEBT
THIRTEEN MONTH AVERAGE BALANCE
(CORPORATE)

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECAST PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE J-2
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. L. AUMILLER

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING (B)	INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		(\$)	(%)	(\$)
1	<u>A/C 243: Capital Lease - Current</u>			
2				
3	Capital Lease - Meters (1999 Acquisitions)	94,794	6.708%	6,359
4	Capital Lease - Meters (2000 Acquisitions)	367,950	6.089%	22,404
5	Capital Lease - Meters (2001 Acquisitions)	129,132	5.997%	7,744
6	Capital Lease - Meters (2002 Acquisitions)	95,329	4.481%	4,272
7	Capital Lease - Meters (2003 Acquisitions)	173,739	4.740%	8,235
8	Capital Lease - Meters (2004 Acquisitions)	160,108	5.010%	8,021
9				
10	<u>A/C 233: Notes Payable to Assoc. Companies</u>			
11				
12	Notes Payable to Cinergy Corp. - Money Pool	11,190,846	4.408%	493,324
13				
14	<u>Sale of Accounts Receivable</u>			
15				
16	Amount Sold for Cash/Classified as Receivable	<u>35,654,931</u>	3.658%	<u>1,304,364</u>
17				
18	Totals	<u><u>47,866,829</u></u>		<u><u>1,854,723</u></u>
19				
20	Cost of Short-Term Debt			<u><u>3.875%</u></u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
EMBEDDED COST OF LONG-TERM DEBT
AS OF MAY 31, 2005
(CORPORATE)

SCHEDULE J-3
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. L. AUMILLER

DATA: *X* BASE PERIOD *X* FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: ORIGINAL *X* UPDATED REVISION
WORK PAPER REFERENCE NO(S):

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST(*) (I)
1	<u>A/C 227: Capital Lease - Non Current</u>									
2	Capital Lease - Meters (1999 Acquisitions)	20-Dec-99	20-Sep-08	909,680	426,225	-	-	-	426,225	28,591
3	Capital Lease - Meters (2000 Acquisitions)	25-Dec-00	25-Sep-09	3,832,158	2,168,336	-	-	-	2,168,336	132,030
4	Capital Lease - Meters (2001 Acquisitions)	20-Dec-01	20-Sep-10	1,411,952	920,793	-	-	-	920,793	55,220
5	Capital Lease - Meters (2002 Acquisitions)	20-Dec-02	20-Sep-11	1,074,181	776,666	-	-	-	776,666	34,802
6	Capital Lease - Meters (2003 Acquisitions)	20-Dec-03	20-Sep-12	2,068,445	1,677,974	-	-	-	1,677,974	79,536
7	Capital Lease - Meters (2004 Acquisitions)	20-Dec-04	20-Sep-13	2,017,084	1,801,779	-	-	-	1,801,779	90,269
8										
9										
10	<u>A/C 221: Bonds</u>									
11										
12	<u>A/C 189: Unamortized Loss on R/A Debt</u>									
13										
14	10.25% due 6/1/2020								(689,140)	39,276
15	9.7% due 7/1/2019								(943,527)	66,996
16	9.5% due 12/1/2008								(131,922)	37,692
17	10.25% due 11/15/2020								(579,131)	37,464
18										
19	<u>A/C 224: Other Long Term Debt</u>									
20										
21	Debtentures 7.65% Series	15-Jul-95	15-Jul-25	15,000,000	15,000,000	(198,595)	610,744	-	14,190,661	1,187,695
22	Debtentures 6.50% Series	30-Apr-98	30-Apr-08	20,000,000	20,000,000	(49,400)	(64,338)	-	20,014,938	1,294,878
23	Debtentures 7.88% Series	15-Sep-99	15-Sep-09	20,000,000	20,000,000	(22,136)	74,953	-	19,902,911	1,597,623
24	Debtentures 5.00% Series	09-Dec-04	15-Dec-14	40,000,000	40,000,000	361,115	390,446	-	39,970,669	2,078,789
25										
26	Totals			106,313,500	102,771,773	90,984	1,011,805	2,243,720	99,607,232	6,760,862
27										
28										
29										6.788%

Embedded Cost of Long-Term Debt (I / H)

(*) Annualized interest cost plus (or minus) amortization of discount or premium plus amortization of issue costs minus (or plus) amortization of gain (or loss) on reacquired debt.

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
EMBEDDED COST OF LONG-TERM DEBT
THIRTEEN MONTH AVERAGE BALANCE
(CORPORATE)

SCHEDULE J-3
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. L. AUMILLER

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECAST PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST(*) (I)	
1	<u>A/C 227: Capital Lease - Non Current</u>										
2	Capital Lease - Meters (1999 Acquisitions)	6.708%	20-Dec-99	20-Sep-08	909,680	346,492	-	-	346,492	23,243	
3	Capital Lease - Meters (2000 Acquisitions)	6.089%	25-Dec-00	25-Sep-09	3,832,158	1,859,106	-	-	1,859,106	113,201	
4	Capital Lease - Meters (2001 Acquisitions)	5.987%	20-Dec-01	20-Sep-10	1,411,952	812,282	-	-	812,282	48,713	
5	Capital Lease - Meters (2002 Acquisitions)	4.481%	20-Dec-02	20-Sep-11	1,074,181	696,726	-	-	696,726	31,220	
6	Capital Lease - Meters (2003 Acquisitions)	4.740%	20-Dec-03	20-Sep-12	2,068,445	1,532,230	-	-	1,532,230	72,628	
7	Capital Lease - Meters (2004 Acquisitions)	5.010%	20-Dec-04	20-Sep-13	2,017,084	1,667,420	-	-	1,667,420	83,538	
8											
9											
10	<u>A/C 221: Bonds</u>										
11											
12	<u>A/C 189: Unamortized Loss on R/A Debt</u>										
13											
14	10.25% due 6/1/2020							556,410	(556,410)	39,276	
15	9.7% due 7/1/2019							887,697	(887,697)	66,996	
16	9.5% due 12/1/2008							100,512	(100,512)	37,692	
17	10.25% due 11/15/2020							547,911	(547,911)	37,464	
18											
19	<u>A/C 223: Advance from Associated Companies</u>										
20											
21	Inter-Company Long Term Notes 5.50% Series		01-Apr-05	01-Jan-24	48,000,000	48,000,000	(272,925)	-	47,317,249	2,678,464	
22	Inter-Company Long Term Notes 6.50% Series		01-Apr-05	15-Nov-22	12,720,663	12,720,663	(72,167)	-	12,648,496	831,184	
23	Inter-Company Long Term Notes 2.46% Series		01-Apr-05	01-Aug-13	16,000,000	16,000,000	(39,916)	-	15,875,757	409,541	
24	Inter-Company Long Term Notes 6.77% Series		01-Apr-05	01-Apr-40	73,300,000	73,300,000	-	-	73,300,000	4,962,410	
25											
26	<u>A/C 224: Other Long Term Debt</u>										
27											
28	Debentures 7.65% Series		15-Jul-95	15-Jul-25	15,000,000	15,000,000	(190,388)	-	14,224,158	1,187,695	
29	Debentures 6.50% Series		30-Apr-98	30-Apr-08	20,000,000	20,000,000	(35,286)	-	20,010,670	1,294,878	
30	Debentures 7.88% Series		15-Sep-99	15-Sep-09	20,000,000	20,000,000	(17,838)	-	19,921,763	1,597,623	
31	Debentures 5.00% Series		09-Dec-04	15-Dec-14	40,000,000	40,000,000	(322,415)	-	39,328,983	2,078,789	
32											
33	Totals				256,334,163	251,934,919	(950,935)	2,092,530	247,448,802	15,594,554	
34											
35											
36											

6.302%

Embedded Cost of Long-Term Debt (I / H)

(*) Annualized interest cost plus (or minus) amortization of discount or premium plus amortization of issue costs minus (or plus) amortization of gain (or loss) on reacquired debt.

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 1 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Description	MOST RECENT CALENDAR YEARS											
		FORECAST PERIOD	BASE PERIOD	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
1	PLANT DATA (\$000 omitted): (a)												
2	Gas Plant												
3	Intangible	258	258	258	258	254	254	1	1	1			
4	Production-Mfg. Gas	5,757	5,341	5,341	4,773	4,376	3,837	3,837	3,494	3,448	3,397	3,344	3,359
5	Underground Storage	-	-	-	-	-	-	-	-	-	-	-	-
6	Storage-Local	-	-	-	-	-	-	-	-	-	-	-	-
7	Transmission	281,076	254,512	249,146	232,766	208,746	190,492	177,315	166,241	157,203	148,218	141,206	133,607
8	Distribution	1,922	1,922	1,922	1,873	2,125	2,717	3,725	3,275	3,389	3,553	3,652	3,639
9	General	289,013	262,033	256,667	239,670	215,505	197,300	184,878	173,011	164,041	155,168	148,202	140,605
10	Total Gas Plant-Gross	92,876	84,451	81,304	77,007	72,107	68,659	65,590	60,617	56,713	52,670	48,754	45,259
11	Less: Accum. Provision for Depr. and Amort.	196,137	177,592	175,363	162,663	143,398	128,641	119,288	112,984	107,328	102,488	99,448	95,346
12	Gas Plant in Service-Net												
13	Electric Plant												
14	Intangible	4,689	1,944	1,944	1,769	1,768	1,198	204	204	204	-	-	-
15	Production Plant-Steam	767,030	-	-	-	-	-	-	-	-	-	-	-
16	Production Plant-Hydro	-	-	-	-	-	-	-	-	-	-	-	-
17	Production Plant-Other	-	-	-	-	-	-	-	-	-	-	-	-
18	Transmission	26,028	20,786	21,100	20,573	17,892	15,803	15,933	14,597	14,280	14,077	13,888	13,560
19	Distribution	285,420	264,106	262,009	250,578	236,838	228,450	214,558	203,598	194,453	185,970	176,929	170,577
20	General	775	775	775	975	1,596	2,773	3,766	3,696	23,465	4,064	4,226	4,370
21	Total Electric Plant-Gross	1,083,942	287,612	285,828	273,895	258,094	248,224	234,481	222,095	232,222	204,111	185,053	188,507
22	Less: Accum. Provision for Depr. and Amort.	515,541	112,564	110,341	105,329	100,030	93,459	90,697	84,027	78,840	73,607	67,857	63,215
23	Electric Plant in Service-Net	568,401	175,028	175,487	168,566	158,064	154,765	143,784	138,008	153,382	130,504	127,199	125,292
24	Common Plant												
25	Intangible	24,485	23,373	23,584	34,706	31,679	50,289	44,603	42,352	18,908	19,073	19,285	19,068
26	Production Plant-Other	13,182	10,042	9,611	17,829	15,739	16,449	13,116	9,983	7,833	6,936	5,699	4,338
27	Total Common Plant-Gross	11,303	13,331	13,973	16,877	15,940	33,840	31,487	32,389	11,075	12,137	13,586	14,730
28	Less: Accum. Provision for Depr. and Amort.	-	-	-	-	-	-	-	-	-	-	-	-
29	Common Plant in Service-Net												
30	Plant Held for Future Use												
31	Construction Work in Progress	28,940	14,745	6,071	6,165	14,745	11,004	15,069	13,761	11,444	14,346	9,050	7,863
32	Net Utility Plant	804,781	380,666	370,894	354,271	332,147	328,250	309,628	296,552	283,229	259,465	249,280	243,291
33	Percentage of Construction Expenditures Financed Internally	96	81	91	67	100	100	100	81	100	100	100	100
34													
35													
36													
37													
38													

(a) Completed Construction Not Classified is included with Plant in Service by function.

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 2 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Description	MOST RECENT CALENDAR YEARS											
		FORECAST PERIOD	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	
CAPITAL STRUCTURE:													
1	Long-term debt (\$000)	247,449	99,607	100,118	54,685	74,653	74,621	74,589	74,557	74,553	44,671	44,617	69,377
2	Preferred stock (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
3	Common equity (\$000)	353,072	199,126	192,511	189,356	177,163	172,203	147,188	132,050	128,818	122,913	120,103	110,482
CONDENSED INCOME STATEMENT DATA:													
4	Operating revenues (\$000,000)	395.3	352.5	351.3	330.8	308.6	340.3	317.6	281.0	256.8	271.6	287.8	257.5
5	Operating expenses (excluding FIT and SIT) (\$000,000)	324.0	324.3	318.6	300.0	278.3	284.6	271.8	250.8	229.6	243.6	236.9	229.8
6	Operating income (\$000,000)	71.3	28.2	32.7	30.8	30.3	55.7	45.8	30.2	27.2	28.0	30.9	27.7
7	Federal income taxes (current) (\$000,000)	18.6	4.3	2.7	(2.1)	5.4	24.5	7.7	10.3	7.5	12.5	0.1	5.9
8	State income taxes (current) (\$000,000)	4.7	0.9	(0.4)	0.4	0.1	0.3	(0.1)	2.7	1.6	3.2	(0.2)	1.3
9	Total income taxes (current) (\$000,000)	23.3	5.2	2.3	(1.7)	5.5	24.8	7.6	13.0	9.1	15.7	(0.1)	7.2
10	Investment tax credits - net (\$000,000)	0.0	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
11	AFUDC - Debt and Equity (\$000,000)	1.0	0.3	0.0	0.3	1.0	0.3	0.5	0.3	0.8	0.2	0.1	0.3
12	Other income - net (\$000,000) (a)	(15.7)	0.5	(4.9)	(3.1)	(11.6)	(2.4)	(5.3)	(5.9)	(5.5)	(5.8)	(6.5)	(7.9)
13	Extraordinary item (\$000,000)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Net income (\$000,000)	33.4	16.0	16.6	19.0	12.1	35.9	24.6	12.3	13.5	12.9	14.6	12.2
15	Net income applicable to Common Stock (\$000,000)	33.4	16.0	16.6	19.0	12.1	35.9	24.6	12.3	13.5	12.9	14.6	12.2
INCOME AVAILABLE FOR FIXED CHARGES:													
16	Interest charges (\$000)	15,760	5,974	5,179	6,127	5,938	6,313	6,308	6,114	4,603	4,769	4,661	7,691
17	Net income before preferred dividend requirements of subsidiaries (\$000)	33,362	15,892	18,638	19,029	12,150	35,924	24,632	12,274	13,550	12,917	14,586	12,172
18	Preferred dividend requirements of subsidiaries (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
19	Cost of reacquisition of Preferred Stock (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
20	Earnings available for common equity (\$000)	33,362	15,892	18,638	19,029	12,150	35,924	24,632	12,274	13,550	12,917	14,586	12,172
21	AFUDC - % of net income before preferred dividend requirements of subsidiaries	0.03	0.02	0.00	0.02	0.08	0.01	0.02	0.02	0.06	0.02	0.01	0.02
22	AFUDC - % of earnings available for common equity	0.03	0.02	0.00	0.02	0.08	0.01	0.02	0.02	0.06	0.02	0.01	0.02
COST OF CAPITAL:													
23	Embedded cost of long-term debt (%)	6.30	6.79	6.80	7.95	7.61	7.80	7.83	7.86	7.90	8.77	8.81	8.68
24	Embedded cost of preferred stock (%)	-	-	-	-	-	-	-	-	-	-	-	-
FIXED CHARGE COVERAGE:													
25	Pre-tax interest coverage	4.55	4.46	5.71	5.06	4.45	7.38	5.79	3.92	4.40	5.09	4.99	3.05
26	After tax interest coverage (excluding AFUDC)	4.49	4.44	5.71	5.02	4.30	7.34	5.73	3.88	4.28	5.04	4.97	3.02
27	Indenture provision coverage (e)	3.11	3.27	4.03	3.68	2.71	5.62	4.07	2.59	3.16	3.47	3.34	2.24
28	Fixed charge coverage	3.11	3.27	4.03	3.68	2.71	5.62	4.07	2.59	3.16	3.47	3.34	2.24

(a) Includes Interest Charges and Income tax on Other Income & Deductions.
(b) An indenture computation is prepared on an individual company basis only.

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 3 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Description	MOST RECENT CALENDAR YEARS																				
		FORECAST PERIOD	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995										
1	STOCK AND BOND RATINGS:																					
2	ULH&P																					
3	Moody's Secured Debt (1990-94 1st Mort. Bonds Ratings)																					
4	Moody's Unsecured Debt																					
5	S&P's Secured Debt (1990-94 1st Mort. Bonds Ratings)																					
6	S&P's Unsecured Debt																					

Neg. Implications Neg. Implications

Not Rated
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THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 5 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Description	FORECAST PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS																
				2004	2003	2002	2001	2000	1999	1998	1997	1996	1995							
1	OTHER FINANCIAL AND OPERATING DATA:																			
2	Mix of Sales (\$000):																			
3	Gas revenues	130,450	126,447	124,475	110,072	81,707	109,333	91,950	70,728	65,454	78,848	76,867	70,288							
4	Electric revenues	244,563	226,031	230,088	220,745	226,855	230,960	225,601	210,235	191,360	192,774	190,900	187,180							
5	Total	375,013	352,478	354,563	330,817	308,562	340,293	317,551	280,963	256,814	271,622	267,767	257,468							
6	Mix of Sales (%):																			
7	Gas	34.8	35.9	35.1	33.3	26.5	32.1	29.0	25.2	25.5	29.0	28.7	27.3							
8	Electric	65.2	64.1	64.9	66.7	73.5	67.9	71.0	74.8	74.5	71.0	71.3	72.7							
9	Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0							
10	Mix of Fuel (\$000):																			
11	Gas	91,771	81,557	79,278	69,774	46,886	72,594	52,099	34,523	33,007	44,247	41,505	36,511							
12	Electric	83,949	161,498	162,497	154,572	159,734	151,562	159,915	158,557	142,967	145,117	143,566	142,987							
13	Total	175,720	243,055	241,775	224,346	206,620	224,156	212,014	193,080	175,574	189,364	185,071	178,898							
14	Mix of Fuel (%):																			
15	Gas	52.2	33.6	32.8	31.1	22.7	32.4	24.6	17.9	18.8	23.4	22.4	20.4							
16	Electric	47.8	66.4	67.2	68.9	77.3	67.6	75.4	82.1	81.2	76.6	77.6	79.6							
17	Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0							
18	Composite depreciation rates:																			
19	Gas (%)	N/A	N/A	3.10%	2.80%	2.90%	2.90%	2.90%	2.90%	2.90%	2.80%	2.80%	2.80%							
20	Electric (%)	N/A	N/A	3.20%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.10%	3.80%							
21	Common (%)	N/A	N/A	6.90%	2.50%	2.90%	3.30%	2.70%	2.60%	3.00%	3.00%	3.40%	3.40%							

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 DATA: "X" BASE PERIOD FORECASTED PERIOD
 CALCULATION OF JURISDICTIONAL CAPITALIZATION

WPA-1a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

Line No.	Description	Capitalization	
		Total	Gas
1	Total Base Period Capitalization	(1) 337,172,641	
2			
3	Less: Non-jurisdictional gas plant	4,772,955	
4	Non-jurisdictional electric plant	0	
5	Non-jurisdictional - Other	12,865,066	
6			
7	Jurisdictional Capitalization	319,534,620	
8			
9	Gas Jurisdictional Rate Base Allocation %	(2) 51.232%	163,703,977
10			
11	Plus: Jurisdictional Gas ITC	(3)	<u>1,445,851</u>
12			
13	Total Allocated Capitalization		<u>165,149,828</u>
14			
15			
16			↑ To Sch. A

Notes:
 (1) Schedule J-1, page 1.
 (2) Allocation percentage from WPA-1b.
 (3) Schedule B-6, page 1.

WPA-1b
WITNESS RESPONSIBLE:
W. D. WATHEN

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
TO DETERMINE THE BASE PERIOD RATIO OF KENTUCKY JURISDICTIONAL GAS OPERATIONS
TO JURISDICTIONAL TOTAL COMPANY OPERATIONS
DATA: "X" BASE PERIOD FORECASTED PERIOD

Line No.	Description	Schedule Reference	Total Company	Gas Excl. of Facil Dev. to ULH&P Custs.	Gas Non-Juris.	Elec Excl. of Facil Dev. to ULH&P Custs.	Electric Non-Juris.	Non-Jurisdictional
1	Total Utility Plant in Service (Accts 101 & 106)	Sch B-2	573,018,000	260,022,000	10,924,000	283,482,000	0	18,590,000
2	Additions:							
3	Construction Work in Progress (Account 107)	Sch B-4	14,745,000	6,040,000	0	8,705,000	0	0
4	Materials & Supplies -							
5	Propane Inventory (Account 151) (A)	Sch B-5	1,853,531	648,736	1,204,795	0	0	0
6	Other Material and Supplies (Accts. 154 & 163) (A)	Sch B-5	389,330	166,307	0	223,023	0	0
7	Total Materials & Supplies		2,242,861	815,043	1,204,795	223,023	0	0
8	Gas Stored Underground (Account 164) (A)	Sch B-5	4,144,503	4,144,503	0	0	0	0
9	Prepayments (Account 165) (A)	Sch B-5.1	711,607	37,511	0	674,096	0	0
10	Cash Working Capital Allowance	Sch B-5.1	7,492,669	2,337,497	0	5,155,172	0	0
11	Other Rate Base Items	Sch B-6	0	0	0	0	0	0
12	Total Additions		29,336,640	13,374,554	1,204,795	14,757,291	0	0
13	Deductions:							
14	Reserve for Accumulated Depreciation (Acct 108)	Sch B-3	207,077,000	81,637,000	6,767,000	113,103,000	0	5,570,000
15	Accum. Deferred Income Taxes (Accts 190, 282, & 283)	Sch B-6	57,586,304	26,517,204	587,968	30,326,198	0	154,934
16	Customer Advances for Construction (Account 252)	Sch B-6	2,568,169	2,568,169	0	0	0	0
17	Investment Tax Credits	Sch B-6	41,340	40,468	872	0	0	0
18	Total Deductions		267,272,813	110,762,841	7,355,840	143,429,198	0	5,724,934
19	Net Original Cost Rate Base		335,081,827	162,633,713	4,772,955	154,810,093	0	12,865,066
20	Jurisdictional Rate Base Ratio		100.000%	48.536%	1.424%	46.201%	0.000%	3.839%
21	Jurisdictional Rate Base Ratio - Excl. Non-Jurisdictional		100.000%	51.232%		48.768%		

Notes:
(A) Based on thirteen month average.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 DATA: BASE PERIOD "X" FORECASTED PERIOD
 CALCULATION OF JURISDICTIONAL CAPITALIZATION

WPA-1c
 WITNESS RESPONSIBLE:
 W. D. WATHEN

Line No.	Description	Capitalization	
		Total	Gas
1	Total Forecast Period Capitalization	(1) 648,387,631	
2			
3	Less: Non-jurisdictional gas plant	4,769,872	
4	Non-jurisdictional electric plant	0	
5	Non-jurisdictional - Other	8,536,837	
6			
7	Jurisdictional Capitalization	635,080,922	
8			
9	Gas Jurisdictional Rate Base Allocation %	(2) 25.889%	164,416,100
10			
11	Plus: Jurisdictional Gas ITC	(3)	<u>1,382,481</u>
12			
13	Total Allocated Capitalization		<u>165,798,581</u>
14			
15			↑
16			To Sch. A

Notes:
 (1) Schedule J-1, page 2.
 (2) Allocation percentage from WPA-1d.
 (3) Schedule B-6, page 2.

WPA-1d
WITNESS RESPONSIBLE:
W. D. WATHEN

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
TO DETERMINE THE FORECAST PERIOD RATIO OF KENTUCKY JURISDICTIONAL GAS OPERATIONS
TO JURISDICTIONAL TOTAL COMPANY OPERATIONS
DATA: BASE PERIOD "X" FORECASTED PERIOD

Line No.	Description	Schedule Reference	Total Company	Gas Excl. of Facil Dev. to Other Than ULH&P Custs.	Gas Non-Juris.	Elec Excl. of Facil Dev. to Other Than ULH&P Custs.	Electric Non-Juris.	Non-Jurisdictional
1	Total Utility Plant in Service (Accts 101 & 106)	Sch B-2	1,385,081,000	277,747,000	11,103,000	1,077,104,000	0	19,127,000
2	Additions:							
3	Construction Work in Progress (Account 107)	Sch B-4	26,692,000	4,120,000	0	22,572,000	0	0
4	Fuel Inventory		5,710,000	0	0	5,710,000	0	0
5	Materials & Supplies -							
8	Propane Inventory (Account 151) (A)	Sch B-5	1,934,987	677,245	1,257,742	0	0	0
9	Other Material and Supplies (Accts. 154 & 163) (A)	Sch B-5	9,844,000	232,273	0	9,611,727	0	0
10	Total Materials & Supplies		11,778,987	909,518	1,257,742	9,611,727	0	0
11	Gas Stored Underground (Account 164) (A)	Sch B-5	5,462,513	5,462,513	0	0	0	0
12	Prepayments (Account 165) (A)	Sch B-5.1	317,628	105,675	0	211,953	0	0
13	Cash Working Capital Allowance	Sch B-5.1	12,267,500	2,384,337	0	9,883,163	0	0
14	Other Rate Base Items	Sch B-6	0	0	0	0	0	0
15	Total Additions		62,228,628	12,982,043	1,257,742	47,988,843	0	0
16	Deductions:							
17	Reserve for Accumulated Depreciation (Acct 108)	Sch B-3	627,304,000	87,230,000	6,987,000	526,365,000	0	6,722,000
18	Accum. Deferred Income Taxes (Accts 190, 282, & 283)	Sch B-6	150,220,000	32,905,521	603,142	118,258,991	0	(1,547,654)
19	Customer Advances for Construction (Account 252)	Sch B-6	2,721,042	2,721,042	0	0	0	0
20	Investment Tax Credits	Sch B-6	5,450,327	33,782	728	0	0	5,415,817
21	Total Deductions		785,695,369	122,890,345	7,590,870	644,623,991	0	10,590,163
22	Net Original Cost Rate Base		661,614,259	167,838,698	4,769,872	480,468,852	0	8,536,837
23	Jurisdictional Rate Base Ratio		100.000%	25.368%	0.721%	72.621%	0.000%	1.290%
24	Jurisdictional Rate Base Ratio - Excl. Non-Jurisdictional		100.000%	25.889%		74.111%		

Notes:
(A) Based on thirteen month average.

WPB-2.2a
WITNESS RESPONSIBLE:
P. A. LAUB

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS
AS OF MAY 31, 2005

Company Account Number	Title	Original Cost (1) \$	Allocation %	(2) Other Than KY Customers \$
Propane Cavern-Processing Facilities				
<u>Production-Manufactured Gas</u>				
2040	Land and Land Rights	117,711	65.00%	76,512
2041	Rights of Way	24,439	65.00%	15,885
2050	Structures & Improvements	1,567,370	65.00%	1,018,791
2110	Liquefied Petroleum Gas Equipment	3,631,544	65.00%	2,360,504
<u>Distribution</u>				
2750	Structures & Improvements U-119(3)	26,677	65.00%	17,340
2780	System M&R Equipment #149	184,029	65.00%	119,619
<u>General</u>				
2910	Office Furniture & Equipment #936	18,067	65.00%	11,744
2940	Tools, Shop & Garage Equipment #936	55,332	65.00%	35,966
Total		5,625,169		3,656,361
Gas Feeder- Line AM				
<u>Distribution</u>				
2741	Rights of Way	26,951	61.70%	16,629
2765	Mains-Steel Feeder Lines	1,214,143	61.70%	749,126
Total		1,241,094		765,755

(1) Includes account 106

(2) To WPB-2.2f

(3) 40% Portion of Station U-119 to serve Propane Facility

WPB-2.2b
WITNESS RESPONSIBLE:
P. A. LAUB

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS
AS OF MAY 31, 2005

Company Account Number	Title	Original Cost (1) \$	Allocation %	(2) Other Than KY Customers \$
<u>Gas Feeder- Line AM-1-River Crossing Distribution</u>				
2740	Land	2,631	100.00%	2,631
2765	Mains-Steel Feeder Lines	58,105	100.00%	58,105
<u>General</u>				
2980	Miscellaneous Equipment	41,970	100.00%	41,970
	Total	102,706		102,706
<u>Gas Feeder- Line AM-1-Other Distribution</u>				
2740	Land	3,315	61.70%	2,045
2741	Rights of Way	21,371	61.70%	13,186
2765	Mains-Steel Feeder Lines	2,138,766	61.70%	1,319,619
	Total	2,163,452		1,334,850

(1) Includes account 106

(2) To WPB-2.2f

WPB-2.2c
 WITNESS RESPONSIBLE:
 P. A. LAUB

THE UNION LIGHT, HEAT AND POWER COMPANY
 CASE NO. 2005-00042
 GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS
 AS OF MAY 31, 2005

Company Account Number	Title	Original Cost (1) \$	Allocation %	(2) Other Than KY Customers \$
	<u>Gas Feeder- Line AM-2-River Crossing Distribution</u>			
2765	Mains-Steel Feeder Lines	561,888	100.00%	561,888
	<u>General</u>			
2980	Miscellaneous Equipment	41,786	100.00%	41,786
	Total	603,674		603,674
	<u>Gas Feeder- Line AM-2-Other Distribution</u>			
2741	Rights of Way	120,800	61.70%	74,534
2765	Mains-Steel Feeder Lines	1,577,308	61.70%	973,199
	Total	1,698,108		1,047,733

(1) Includes account 106

(2) To WPB-2.2f

WPB-2.2d
 WITNESS RESPONSIBLE:
 P. A. LAUB

THE UNION LIGHT, HEAT AND POWER COMPANY
 CASE NO. 2005-00042
 GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS
 AS OF MAY 31, 2005

Company Account Number	Title	Original Cost (1) \$	Allocation %	(2) Other Than KY Customers \$
	<u>Gas Feeder- Line AM-7-River Crossing Distribution</u>			
2765	Mains-Steel Feeder Lines	231,295	100.00%	231,295
	<u>General</u>			
2980	Miscellaneous Equipment	41,805	100.00%	41,805
	Total	273,100		273,100
	<u>Gas Feeder- Line AM-7-Other Distribution</u>			
2741	Rights of Way	103,213	61.70%	63,682
2765	Mains-Steel Feeder Lines	3,535,469	61.70%	2,181,384
	Total	3,638,682		2,245,066

(1) Includes account 106

(2) To WPB-2.2f

WPB-2.2e
WITNESS RESPONSIBLE:
P. A. LAUB

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS
AS OF MAY 31, 2005

Company Account Number	Title	Original Cost (1) \$	Allocation %	(2) Other Than KY Customers \$
Gas Feeder- Line UL-6				
Distribution				
2740	Land (Three Mile Station)	1,422	61.70%	877
2741	Rights of Way	183,365	61.70%	113,136
2750	Struc. & Improv. (Three Mile Station)	27,112	61.70%	16,728
2765	Mains-Steel Feeder Lines	686,529	61.70%	423,588
2780	System M & R Station Equip. - General	175,087	61.70%	108,029
2781	System M & R Station Equip.	<u>56,932</u>	61.70%	<u>35,127</u>
	Total	1,130,447		697,485
Cold Springs Odorization Station				
Distribution				
2780	System M & R Station Equip. - General	95,811	61.70%	59,115
2781	System M & R Station Equip.	<u>58,109</u>	61.70%	<u>35,853</u>
	Total	153,920		94,968
Alexandria Odorization Station				
Distribution				
2780	System M & R Station Equip. - General	100,359	61.70%	61,922
2781	System M & R Station Equip.	<u>63,455</u>	61.70%	<u>39,152</u>
	Total	163,814		101,074

(1) Includes account 106

(2) To WPB-2.2f

WPB-2.2f
 WITNESS RESPONSIBLE:
 P. A. LAUB

THE UNION LIGHT, HEAT AND POWER COMPANY
 CASE NO. 2005-00042
 ORIGINAL COST APPLICABLE TO GAS FACILITIES
 DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS
 AS OF MAY 31, 2005

Account Number	Title	Propane Cavern & Proc Fac	Gas Feeder Lines						Cold Springs Odor Plant	Alexandria Odor Plant	Other than KY Cust	(1) Total
			AM	AM-1 River Crossing	AM-2 Other Crossing	AM-7 River Crossing	AM-7 Other	UL-6 Other				
Production-Manufactured Gas												
2040	Land and Land Rights	76,512										76,512
2041	Rights of Way	15,885										15,885
2050	Structures & Improvements	1,018,791										1,018,791
2110	Liquefied Petroleum Gas Equipment	2,360,504										2,360,504
	Total	3,471,692										3,471,692
Distribution												
2740	Land		2,631	2,045						877		5,553
2741	Rights of Way			13,186						113,136		281,167
2750	Structures & Improvements				74,534					63,682		34,068
2765	Mains-Steel Feeder Lines	17,340								16,728		6,498,204
2780	System M & R Station Equip. - General	119,619	749,126	1,319,619	561,888	973,199	231,295	2,181,384		423,586	61,922	348,685
2781	System M & R Station Equip.									108,029	39,152	110,132
	Total	136,959	765,755	1,334,850	561,888	1,047,733	231,295	2,245,066	697,485	94,968	101,074	7,277,809
General												
2910	Office Furniture & Equipment #936	11,744										11,744
2940	Tools, Shop & Garage Equipment #936	35,966										35,966
2980	Miscellaneous Equipment		41,970		41,786			41,805				125,561
	Total	47,710	41,970		41,786			41,805			0	173,271
	Grand Total	3,656,361	765,755	1,334,850	603,674	1,047,733	273,100	2,245,066	697,485	94,968	101,074	10,922,772

Work Paper Reference from: (WPB-2.2a) (WPB-2.2b) (WPB-2.2c) (WPB-2.2d) (WPB-2.2e)

WPB-2.2g
WITNESS RESPONSIBLE:
PEGGY LAUB

THE UNION LIGHT, HEAT & POWER COMPANY
CASE NO. 2005-00042
GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS

Account Number	Title	Original Cost		Accum Reserve 12/04	Additions 1/05-5/05	Original Cost 5/05	Rate	Jan - May 05 Expense	Accum Reserve 5/05	Additions through 9/06	Original Cost 9/06	Rate	June 05 - Sept 06 Expense	Accum Reserve 9/06
		Other than KY Customers 12/04	12/04											
	Production-Manufactured Gas													
2040	Land and Land Rights	76,512	76,512	-	-	76,512	0.00%	-	-	-	76,512	0.00%	-	-
2041	Rights of Way	15,885	15,885	15,885	-	15,885	2.00%	-	15,885	-	15,885	2.00%	-	15,885
2050	Structures & Improvements	1,018,790	1,018,790	886,086	-	1,018,790	0.60%	2,547	890,633	-	1,018,790	0.60%	8,150	888,783
2110	Liquefied Petroleum Gas Equipment	2,360,504	2,360,504	1,084,238	-	2,360,504	0.63%	5,794	1,090,032	270,118	2,630,622	0.63%	21,491	1,111,523
	Total	3,471,691	3,471,691	1,988,209	-	3,471,691		8,341	1,996,550	270,118	3,741,809		29,641	2,026,191
	Distribution													
2740	Land	5,554	5,554	-	-	5,554	0.00%	-	-	-	5,554	0.00%	-	-
2741	Rights of Way	281,167	281,167	113,777	-	281,167	1.39%	1,800	115,577	-	281,167	1.39%	5,039	120,616
2750	Structures & Improvements	34,068	34,068	32,649	-	34,068	0.94%	22	32,671	-	34,068	0.94%	538	33,209
2765	Mains-Steel Feeder Lines	6,498,206	6,498,730	4,083,366	524	6,498,730	2.69%	72,274	4,155,640	(524)	6,498,206	2.69%	233,629	4,389,269
2780	System M & R Station Equip. - General	348,685	348,685	320,634	-	348,685	2.00%	19	320,653	-	348,685	2.00%	12,185	332,838
2781	System M & R Station Equip.	110,132	110,132	106,358	-	110,132	7.48%	1,016	107,374	-	110,132	7.48%	2,758	110,132
	Total	7,277,812	7,278,336	4,856,784	524	7,278,336		75,131	4,731,915	(524)	7,277,812		254,150	4,986,065
	General													
2910	Office Furniture & Equipment #936	11,743	11,743	3,577	-	11,743	13.12%	522	4,099	-	11,743	13.12%	2,174	6,273
2940	Tools, Shop & Garage Equipment #936	35,966	35,966	14,878	-	35,966	3.68%	521	15,399	-	35,966	3.68%	1,795	17,194
2980	Miscellaneous Equipment	125,561	125,561	554	-	125,561	36.10%	18,887	19,441	-	125,561	36.10%	60,436	79,877
	Total	173,270	173,270	19,009	-	173,270		19,930	38,939	-	173,270		64,406	103,345
	Grand Total	10,922,773	10,923,297	6,664,002	524	10,923,297		103,402	6,767,404	269,594	11,192,891		348,197	7,115,601

Assumes additions are spread evenly over months.

To SCH. B-2.2

WPB-2.2h
WITNESS RESPONSIBLE:
PEGGY LAUB

THE UNION LIGHT, HEAT & POWER COMPANY
CASE NO. 2005-00042
PLANT IN SERVICE
13 MONTH AVERAGE

	Gas Production			Gas Distribution			Gas General			Common		Total Adjusted & Allocated
	Orig Cost	Adjustment	Adjusted Jurisdiction	Orig Cost	Adjustment	Adjusted Jurisdiction	Orig Cost	Adjustment	Adjusted Jurisdiction	Orig Cost	Allocation at 38.13%	
Sep-05	5,501,849	3,576,202	1,925,647	257,268,087	7,277,813	249,990,274	2,179,707	173,270	2,006,437	24,483,660	9,335,620	263,257,977
Oct-05	5,524,459	3,590,898	1,933,561	258,542,465	7,277,813	251,264,652	2,179,707	173,270	2,006,437	24,483,660	9,335,620	264,540,269
Nov-05	5,552,094	3,608,861	1,943,233	259,549,885	7,277,813	252,272,072	2,179,707	173,270	2,006,437	24,483,660	9,335,620	265,557,361
Dec-05	5,592,290	3,634,989	1,957,301	271,450,443	7,277,813	264,172,630	2,179,707	173,270	2,006,437	24,483,660	9,335,620	277,471,988
Jan-06	5,594,858	3,636,658	1,958,200	272,082,862	7,277,813	264,805,049	2,179,707	173,270	2,006,437	24,483,660	9,335,620	278,105,306
Feb-06	5,597,426	3,638,327	1,959,099	272,897,060	7,277,813	265,619,247	2,179,707	173,270	2,006,437	24,483,660	9,335,620	278,920,403
Mar-06	5,607,697	3,645,003	1,962,694	273,777,674	7,277,813	266,499,861	2,179,707	173,270	2,006,437	24,483,660	9,335,620	279,804,611
Apr-06	5,612,833	3,648,341	1,964,492	274,729,134	7,277,813	267,451,321	2,179,707	173,270	2,006,437	24,483,660	9,335,620	280,757,869
May-06	5,628,239	3,658,356	1,969,883	275,857,005	7,277,813	268,579,192	2,179,707	173,270	2,006,437	24,483,660	9,335,620	281,891,133
Jun-06	5,651,349	3,673,377	1,977,972	277,019,658	7,277,813	269,741,845	2,179,707	173,270	2,006,437	24,483,660	9,335,620	283,061,874
Jul-06	5,692,434	3,700,082	1,992,352	278,363,231	7,277,813	271,085,418	2,179,707	173,270	2,006,437	24,483,660	9,335,620	284,419,827
Aug-06	5,712,976	3,713,435	1,999,541	279,706,807	7,277,813	272,428,994	2,179,707	173,270	2,006,437	24,483,660	9,335,620	285,770,593
Sep-06	5,756,629	3,741,809	2,014,820	281,076,080	7,277,813	273,798,267	2,179,707	173,270	2,006,437	24,483,660	9,335,620	287,155,143
Total	73,025,133	47,466,338	25,558,795	3,532,320,390	94,611,569	3,437,708,821	28,336,189	2,252,510	26,083,679	318,287,582	121,363,060	3,610,714,355
13 Month Average	5,617,318	3,651,257	1,966,061	271,716,953	7,277,813	264,439,140	2,179,707	173,270	2,006,437	24,483,660	9,335,620	277,747,258

↑
To SCH. B-2.2

THE UNION LIGHT, HEAT & POWER COMPANY
CASE NO. 2005-00042
GAS FACILITIES DEVOTED TO OTHER THAN KENTUCKY CUSTOMERS

WPB-3.1a
WITNESS RESPONSIBLE:
PEGGY LAUB

Account Number	Title	Original Cost		Accum Reserve 12/04	Additions 1/05-5/05	Original Cost 5/05	Rate	Jan - May 05 Expense	Accum Reserve 5/05	Additions through 9/06	Original Cost 9/06	Rate	June 05 - Sept 06 Expense	Accum Reserve 9/06
		12/04	Other than KY Customers											
	Production-Manufactured Gas													
2040	Land and Land Rights	76,512		-		76,512	0.00%	-	-		76,512	0.00%	-	-
2041	Rights of Way	15,885		15,885		15,885	2.00%	-	15,885		15,885	2.00%	-	15,885
2050	Structures & Improvements	1,018,790		888,086		1,018,790	0.60%	2,547	890,633		1,018,790	0.60%	8,150	898,783
2110	Liquefied Petroleum Gas Equipment	2,360,504		1,084,238		2,360,504	0.63%	5,794	1,090,032	270,118	2,630,622	0.63%	21,491	1,111,523
	Total	3,471,691	-	1,988,209	-	3,471,691		8,341	1,996,550	270,118	3,741,809		29,641	2,026,191
	Distribution													
2740	Land	5,554		-		5,554	0.00%	-	-		5,554	0.00%	-	-
2741	Rights of Way	281,167		113,777		281,167	1.39%	1,800	115,577		281,167	1.39%	5,039	120,616
2750	Structures & Improvements	34,068		32,649		34,068	0.94%	22	32,671		34,068	0.94%	538	33,209
2765	Mains-Steel Feeder Lines	6,498,206		4,083,366	524	6,498,730	2.69%	72,274	4,155,640	(524)	6,498,206	2.69%	233,629	4,389,269
2780	System M & R Station Equip. - General	348,685		320,634		348,685	2.00%	19	320,653		348,685	2.00%	12,185	332,638
2781	System M & R Station Equip.	110,132		106,358		110,132	7.48%	1,016	107,374		110,132	7.48%	2,758	110,132
	Total	7,277,812	524	4,656,784	524	7,277,812		75,131	4,731,915	(524)	7,277,812		254,149	4,986,064
	General													
2910	Office Furniture & Equipment #936	11,743		3,577		11,743	13.12%	522	4,089		11,743	13.12%	2,174	6,273
2940	Tools, Shop & Garage Equipment #936	35,966		14,878		35,966	3.68%	521	15,399		35,966	3.68%	1,795	17,194
2980	Miscellaneous Equipment	125,561		554		125,561	36.10%	18,887	19,441		125,561	36.10%	60,436	79,877
	Total	173,270	-	19,009	-	173,270		19,930	38,939	-	173,270		64,405	103,344
	Grand Total	10,922,773	524	6,664,002	524	10,923,297		103,402	6,767,404	269,594	11,192,891		348,195	7,115,599

Assumes additions are spread evenly over months.

To SCH. B-3.1

WPB-3.1b
WITNESS RESPONSIBLE:
PEGGY LAUB

THE UNION LIGHT, HEAT & POWER COMPANY
CASE NO. 2005-00042
ACCUMULATED RESERVE
13 MONTH AVERAGE

	Gas Production		Gas Distribution		Gas General		Common		Total Adjusted & Allocated			
	Accum Reserve (1)	Adjustment	Adjusted Jurisdiction	Accum Reserve (1)	Adjustment	Adjusted Jurisdiction	Accum Reserve	Allocation at 39.36%				
Sep-05	3,048,638	2,004,279	1,044,359	82,394,416	4,799,801	77,594,615	1,010,127	55,153	954,974	11,234,048	4,421,721	84,015,669
Oct-05	3,049,217	2,006,105	1,043,112	82,926,286	4,815,323	78,110,963	1,021,389	59,169	962,220	11,404,153	4,488,674	84,604,969
Nov-05	3,049,312	2,007,931	1,041,381	83,487,837	4,830,845	78,656,992	1,032,651	63,185	969,466	11,574,258	4,555,628	85,223,466
Dec-05	3,048,178	2,009,757	1,038,421	83,201,090	4,846,367	78,354,723	1,043,840	67,201	976,639	11,744,062	4,622,463	84,992,246
Jan-06	3,050,786	2,011,583	1,039,203	83,842,947	4,861,889	78,981,058	1,055,030	71,217	983,813	11,909,202	4,687,462	85,691,537
Feb-06	3,053,396	2,013,409	1,039,987	84,465,313	4,877,411	79,587,902	1,066,219	75,233	990,986	12,074,351	4,752,464	86,371,340
Mar-06	3,055,246	2,015,235	1,040,011	85,085,544	4,892,933	80,192,611	1,077,380	79,249	998,131	12,239,500	4,817,467	87,048,219
Apr-06	3,057,609	2,017,061	1,040,548	85,698,766	4,908,455	80,790,311	1,088,540	83,265	1,005,275	12,403,406	4,881,981	87,718,115
May-06	3,058,959	2,018,887	1,040,072	86,298,425	4,923,977	81,374,448	1,099,636	87,281	1,012,355	12,560,611	4,943,857	88,370,732
Jun-06	3,059,554	2,020,713	1,038,841	86,903,540	4,939,499	81,964,041	1,110,732	91,297	1,019,435	12,717,816	5,005,733	89,028,051
Jul-06	3,058,385	2,022,539	1,035,846	87,490,588	4,955,021	82,535,567	1,121,828	95,313	1,026,515	12,875,022	5,067,608	89,665,536
Aug-06	3,059,268	2,024,365	1,034,903	88,081,108	4,970,543	83,110,565	1,132,925	99,329	1,033,596	13,029,028	5,128,226	90,307,289
Sep-06	3,057,876	2,026,191	1,031,685	88,673,459	4,986,065	83,687,394	1,144,021	103,345	1,040,676	13,182,130	5,188,486	90,948,241
Total	39,706,425	26,198,055	13,508,370	1,108,549,320	63,608,129	1,044,941,191	14,004,317	1,030,237	12,974,080	158,947,586	62,581,770	1,133,985,410
13 Month Average	3,054,340	2,015,235	1,039,105	85,273,025	4,892,933	80,380,092	1,077,255	79,249	998,006	12,226,737	4,812,444	87,229,647

To SCH. B-3.1

(1) Subtract \$19,008 for RWJP for production, \$1,249,113 for distribution and \$1,925 for gas general.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 CASH WORKING CAPITAL

WPB-5.1a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	DESCRIPTION	WORK PAPER REFERENCE	JURISDICTIONAL	
			BASE PERIOD	FORECAST PERIOD
1	Total Jurisdictional O & M Expense	Sch C-2	100,257,473	110,924,695
2				
3	Less: Annualized Purchased Gas Expense	Sch C-2	<u>81,557,495</u>	<u>91,850,000</u>
4				
5	Net Operation & Maintenance Expense		<u>18,699,978</u>	<u>19,074,695</u>
6				
7				
8	Cash Working Capital			
9				
10	1/8 of Net Operation & Maintenance Expense	To Sch B-5.1 <---	<u>2,337,497</u>	<u>2,384,337</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 THIRTEEN MONTH AVERAGE BALANCE GAS ENRICHER LIQUIDS
 FOR THE BASE PERIOD AND THE FORECAST PERIOD

WPB-5.1b
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	MONTH	ACCT 151760 AMOUNT (A) \$	ALLOC. (B) %	ALLOCATED AMOUNT	
1	Base Period				
2	December 2003	1,966,112	35.00%	688,139	
3	January 2004	1,869,807	35.00%	654,432	
4	February	1,874,575	35.00%	656,101	
5	March	1,874,575	35.00%	656,101	
6	April	1,874,575	35.00%	656,101	
7	May	1,874,575	35.00%	656,101	
8	June	1,874,575	35.00%	656,101	
9	July	1,874,575	35.00%	656,101	
10	August	2,020,003	35.00%	707,001	
11	September	2,020,000	35.00%	707,000	
12	October	2,020,000	35.00%	707,000	
13	November	2,020,000	35.00%	707,000	
14	December	1,991,462	35.00%	697,012	
15	January 2005	1,883,585	35.00%	659,255	
16	February	1,883,585	35.00%	659,255	
17	March	1,853,531	35.00%	648,736	
18	April	1,853,531	35.00%	648,736	
19	May	1,853,531	35.00%	648,736	--> To Sch. B-5.1
20					
21	Forecast Period				
22	September 2005	1,934,987	35.00%	677,245	
23	October	1,934,987	35.00%	677,245	
24	November	1,934,987	35.00%	677,245	
25	December	1,934,987	35.00%	677,245	
26	January 2006	1,934,987	35.00%	677,245	
27	February	1,934,987	35.00%	677,245	
28	March	1,934,987	35.00%	677,245	
29	April	1,934,987	35.00%	677,245	
30	May	1,934,987	35.00%	677,245	
31	June	1,934,987	35.00%	677,245	
32	July	1,934,987	35.00%	677,245	
33	August	1,934,987	35.00%	677,245	
34	September	1,934,987	35.00%	677,245	--> To Sch. B-5.1 &
35	Total	<u>25,154,831</u>		<u>8,804,185</u>	WPD-2.21a
36					
37	13 Month Average - Forecast Period	<u>1,934,987</u>		<u>677,245</u>	--> To Sch. B-5.1

(A) Source: Company Records
 (B) Percent Applicable to Kentucky Customers.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 DETAIL OF MATERIALS AND SUPPLIES
 THIRTEEN MONTHS ENDED SEPTEMBER 30, 2000

WPB-5.1c
 WITNESS: RESPONSIBLE:
 W. D. WATHEN

LINE NO.	ACCOUNT NO. and DESCRIPTION	ULH&P	ALLOCATED TO GAS DEPT		ALLOCATED TO JURISDICTION		
		INVENTORY (A) \$	%	AMOUNT \$	ALLOC CODE	%	AMOUNT \$
1	<u>Base Period - Ending Balance</u>						
2	154090 Pit Materials & Supplies - Gas	144,072	100.00%	144,072	DALL	100.000	144,072
3	154100 Pit Materials & Supplies - Com	14,979	41.38% (B)	6,198	DALL	100.000	6,198
4	154110 Pit Materials & Supplies - Elec	155,813	0.00% (C)	0	DALL	100.000	0
5	154300 M&S Fuels And Misc	55,958	41.38% (B)	23,155	DALL	100.000	23,155
6	154410 Minor Material	<u>35,170</u>	0.00% (C)	<u>0</u>	DALL	100.000	<u>0</u>
7		405,992		173,425			173,425
8	163000 Stores Expense Undistributed	<u>(16,662)</u>	42.72% (D)	<u>(7,118)</u>	DALL	100.000	<u>(7,118)</u>
9	Total	<u>389,330</u>		<u>166,307</u>			<u>166,307</u>
10							
11	<u>Forecast Period - 13 Month Average Balance</u>						
12							
13	154090 Pit Materials & Supplies - Gas	190,582	100.00%	190,582	DALL	100.000	190,582
14	154100 Pit Materials & Supplies - Com	14,205	41.62% (B)	5,912	DALL	100.000	5,912
15	154110 Pit Materials & Supplies - Ele	145,581	0.00% (C)	0	DALL	100.000	0
16	154300 M&S Fuels And Misc	52,710	41.62% (B)	21,938	DALL	100.000	21,938
17	154410 Minor Material	<u>25,667</u>	0.00% (C)	<u>0</u>	DALL	100.000	<u>0</u>
18		428,745		218,432			218,432
19	163000 Stores Expense Undistributed	<u>27,166</u>	50.95% (D)	<u>13,841</u>	DALL	100.000	<u>13,841</u>
20	Total	<u>455,911</u>		<u>232,273</u>			<u>232,273</u>
21							
22	<u>Forecast Period - Ending Balance</u>						
23							
24	154090 Pit Materials & Supplies - Gas	190,582	100.00%	190,582	DALL	100.000	190,582
25	154100 Pit Materials & Supplies - Com	14,205	41.62% (B)	5,912	DALL	100.000	5,912
26	154110 Pit Materials & Supplies - Ele	145,581	0.00% (C)	0	DALL	100.000	0
27	154300 M&S Fuels And Misc	52,710	41.62% (B)	21,938	DALL	100.000	21,938
28	154410 Minor Material	<u>25,667</u>	0.00% (C)	<u>0</u>	DALL	100.000	<u>0</u>
29		428,745		218,432			218,432
30	163000 Stores Expense Undistributed	<u>27,166</u>	50.95% (D)	<u>13,841</u>	DALL	100.000	<u>13,841</u>
31	Total	<u>455,911</u>		<u>232,273</u>			<u>232,273</u>

Source:

(A) WPB-5.1d

(B) Allocated Based on Retail Customers, WPB-5.1f.

(C) 100% Electric Account

(D) Allocated Based on 13-Month Average of Other M&S Accounts (218,432/428,745=50.95%)

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 DETAIL OF THIRTEEN MONTH AVERAGE OF MATERIAL & SUPPLIES
 BASE PERIOD AND FORECAST PERIOD

WPB-5.1d
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	MONTH	ACCOUNT 154090 (A) \$	ACCOUNT 154100 (A) \$	ACCOUNT 154110 (A) \$	ACCOUNT 154300 (A) \$	ACCOUNT 154410 (A) \$	ACCOUNT 163000 (A) \$
1	<u>Base Period</u>						
2	December 2003	195,871	13,659	147,871	60,861	26,957	(666)
3	January 2004	207,196	14,242	149,817	49,142	29,659	13,251
4	February	205,453	13,572	145,470	53,046	27,568	29,427
5	March	200,474	13,683	143,739	53,538	24,448	25,118
6	April	201,327	14,019	143,846	46,583	24,096	31,277
7	May	206,285	13,924	142,161	57,222	23,022	37,099
8	June	193,144	13,821	140,853	61,883	22,572	31,980
9	July	194,932	14,005	145,646	43,185	23,595	34,390
10	August	214,928	14,363	143,997	55,838	24,366	34,452
11	September	214,373	15,195	143,772	48,279	23,762	30,347
12	October	155,859	14,608	147,655	43,692	26,256	31,393
13	November	144,878	15,161	147,346	64,236	28,501	33,771
14	December	142,845	14,419	150,382	47,722	28,871	21,322
15	January 2005	143,500	14,500	152,463	53,568	29,774	14,196
16	February	148,266	15,188	154,309	47,337	33,914	12,162
17	March	150,345	15,448	152,410	52,098	35,387	(8,476)
18	April	147,243	15,255	154,711	64,653	33,395	(10,178)
19	May	144,072	14,979	155,813	55,958	35,170	(16,682)
20							
21	<u>Forecast Period</u>						
22	September 2005	190,582	14,205	145,581	52,710	25,667	27,166
23	October	190,582	14,205	145,581	52,710	25,667	27,166
24	November	190,582	14,205	145,581	52,710	25,667	27,166
25	December	190,582	14,205	145,581	52,710	25,667	27,166
26	January 2006	190,582	14,205	145,581	52,710	25,667	27,166
27	February	190,582	14,205	145,581	52,710	25,667	27,166
28	March	190,582	14,205	145,581	52,710	25,667	27,166
29	April	190,582	14,205	145,581	52,710	25,667	27,166
30	May	190,582	14,205	145,581	52,710	25,667	27,166
31	June	190,582	14,205	145,581	52,710	25,667	27,166
32	July	190,582	14,205	145,581	52,710	25,667	27,166
33	August	190,582	14,205	145,581	52,710	25,667	27,166
34	September	190,582	14,205	145,581	52,710	25,667	27,166
35	Total	<u>2,477,566</u>	<u>184,665</u>	<u>1,892,553</u>	<u>685,230</u>	<u>333,671</u>	<u>353,158</u>
36							
37	Thirteen Month Average Balance	<u>190,582</u>	<u>14,205</u>	<u>145,581</u>	<u>52,710</u>	<u>25,667</u>	<u>27,166</u>
		↓	↓	↓	↓	↓	↓
		To WPB-5.1c	To WPB-5.1c	To WPB-5.1c	To WPB-5.1c	To WPB-5.1c	To WPB-5.1c

(A) Company Records

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 PREPAYMENTS
 BASE PERIOD AND FORECAST PERIOD

WPB-5.1e
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	DESCRIPTION	TOTAL COMPANY (1)	ALLOC. TO GAS DEPT. %	AMOUNT	JURIS. ALLOCATION CODE	%	JURISDIC. AMOUNT
1	<u>Base Period - Ending Balance</u>						
2	KPSC Maintenance Tax	47,462	33.27% (2)	15,791	DALL	100.000	15,791
3	Prepaid Insurance	638,825	1.76% (3)	11,243	DALL	100.000	11,243
4	Consulting Agreement	<u>25,320</u>	41.38% (4)	<u>10,477</u>	DALL	100.000	<u>10,477</u>
5	Total	<u>711,607</u>		<u>37,511</u>			<u>37,511</u>
6							
7	<u>Forecast Period - 13 Month Average Balance</u>						
8	KPSC Maintenance Tax	<u>317,628</u>	33.27% (2)	<u>105,675</u>	DALL	100.000	<u>105,675</u>
9	Total	<u>317,628</u>		<u>105,675</u>			<u>105,675</u>
10							
11	<u>Forecast Period - Ending Balance</u>						
12	KPSC Maintenance Tax	<u>427,155</u>	33.27% (2)	<u>142,115</u>	DALL	100.000	<u>142,115</u>
13	Total	<u>427,155</u>		<u>142,115</u>			<u>142,115</u>

(1) WPB-5.1h.

(2) Allocated to department based on Ky. PSC Maintenance Tax Expense for the year ended December 31, 2004. (WPB-5.1f).

(3) Allocated to Department based on amount of prepaid insurance allocated to ULH&P gas operations by the Insurance & Claims Department.

(4) Allocated to Department based on Retail Customers as of May 31, 2005.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 DEVELOPMENT OF FACTORS TO ALLOCATE
 PREPAYMENTS AND MATERIALS AND SUPPLIES

WPB-5.1f
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE NO.</u>	<u>DESCRIPTION / COMMON ALLOCATION</u>		
1	<u>Retail Customers at May 31, 2005</u>	<u>CUSTOMERS</u>	<u>ALLOC</u>
2	Gas	92,414	41.38%
3	Electric	130,909	58.62%
4	Total	<u>223,323</u>	<u>100.00%</u>
5			
6	<u>Retail Customers at September 30, 2006</u>	<u>CUSTOMERS</u>	<u>ALLOC</u>
7	Gas	94,803	41.62%
8	Electric	132,966	58.38%
9	Total	<u>227,769</u>	<u>100.00%</u>
10			
11	<u>Base Period KY PSC Maintenance Tax</u>	<u>AMOUNT</u>	<u>ALLOC</u>
12	Gas (928090)	187,535	33.27%
13	Electric (928000)	376,141	66.73%
14	Total	<u>563,676</u>	<u>100.00%</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 NATURAL GAS STORAGE BALANCE (ACCT NO. 164110)
 BASE PERIOD AND FORECAST PERIOD

WPB-5.1g
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE NO.</u>	<u>MONTH</u>	<u>AMOUNT (A)</u>
		\$
1	<u>Base Period</u>	
2	December 2003	5,525,725
3	January 2004	3,537,068
4	February	2,600,229
5	March	2,548,797
6	April	3,379,377
7	May	4,482,818
8	June	5,455,577
9	July	6,354,738
10	August	7,712,888
11	September	8,292,838
12	October	7,775,527
13	November	7,244,493
14	December	6,102,597
15	January 2005	4,105,216
16	February	2,634,404
17	March	1,800,563
18	April	2,799,661
19	May	4,144,503
20		
21	<u>Forecast Period</u>	
22	September 2005	5,462,513
23	October	5,462,513
24	November	5,462,513
25	December	5,462,513
26	January 2006	5,462,513
27	February	5,462,513
28	March	5,462,513
29	April	5,462,513
30	May	5,462,513
31	June	5,462,513
32	July	5,462,513
33	August	5,462,513
34	September	5,462,513
35	Total	<u>71,012,670</u>
36		
37	Thirteen Month Average Balance	<u>5,462,513</u>

↓
 To Sch B-5.1

(A) Company Records

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 PREPAYMENTS - KYPSC MAINTENANCE FEE
 BASE PERIOD AND FORECAST PERIOD

WPB-5.1h
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE</u> <u>NO.</u>	<u>MONTH</u>	<u>AMOUNT (A)</u> \$
1	<u>Base Period</u>	
2	October	379,694
3	November	332,232
4	December	284,770
5	January 2005	237,308
6	February	189,846
7	March	142,384
8	April	94,924
9	May	47,462
10		
11	<u>Forecast Period</u>	
12	September 2005	427,155
13	October	379,693
14	November	332,231
15	December	284,769
16	January 2006	237,307
17	February	189,845
18	March	142,383
19	April	94,921
20	May	47,462
21	June	569,541
22	July	522,079
23	August	474,617
24	September	<u>427,155</u>
25	Total	<u>4,129,162</u>
26		
27	Thirteen Month Average Balance	<u>317,628</u>

↓
 To Sch B-5.1

(A) Company Records

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 PREPAYMENTS - KYPSC MAINTENANCE FEE
 CALCULATION OF BASE PERIOD AND FORECAST PERIOD

WPB-5.1i
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE NO.</u>	<u>MONTH</u>	<u>BEGINNING BAL.</u>	<u>MONTHLY AMORT.</u>	<u>PAYMENT</u>	<u>ENDING BAL.</u>
1	January 2005	284,770	(47,462)		237,308
2	February	237,308	(47,462)		189,846
3	March	189,846	(47,462)		142,384
4	April	142,384	(47,460)		94,924
5	May	94,924	(47,462)		47,462
6	June	47,462	(47,462)	569,541	569,541
7	July	569,541	(47,462)		522,079
8	August	522,079	(47,462)		474,617
9	September	474,617	(47,462)		427,155
10	October	427,155	(47,462)		379,693
11	November	379,693	(47,462)		332,231
12	December	332,231	(47,462)		284,769
13	January 2006	284,769	(47,462)		237,307
14	February	237,307	(47,462)		189,845
15	March	189,845	(47,462)		142,383
16	April	142,383	(47,462)		94,921
17	May	94,921	(47,459)		47,462
18	June	47,462	(47,462)	569,541	569,541
19	July	569,541	(47,462)		522,079
20	August	522,079	(47,462)		474,617
21	September	474,617	(47,462)		427,155

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
DATA: "X" BASE PERIOD FORECASTED PERIOD
END OF MONTH BALANCES

WPB-6a
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	MAY 2005
1	GAS		
2	252	Customers' Advances for Construction	<u>(2,568,169)</u>
3			
4	255	Investment Tax Credits:	
5		3% Credit	(41,340)
6		4% Credit	(71,907)
7		10% Credit	<u>(1,373,944)</u>
8		Total Investment Tax Credits	<u>(1,487,191)</u>
9			
10		Accumulated Deferred Income Taxes:	
11	190	Total Account 190	4,700,797
12	282	Account 282 - Other	(1,722,519)
13	282	Liberalized Depreciation	(27,865,759)
14	283	Account 283 - Other	(1,051,619)
15	283	Unrecovered Purchased Gas Cost	(1,166,072)
16		Total Deferred Income Taxes	<u>(27,105,172)</u>
17			
18	ELECTRIC		
19	252	Customers' Advances for Construction	<u>0</u>
20			
21	255	Investment Tax Credits:	
22		3% Credit	
23		4% Credit	
24		10% Credit	(1,033,167)
25		Total Investment Tax Credits	<u>(1,033,167)</u>
26			
27		Accumulated Deferred Income Taxes:	
28	190	Total Account 190	3,055,608
29	282	Total Account 282	(34,616,284)
30	283	Total Account 283	<u>1,234,478</u>
31		Total Deferred Income Taxes	<u>(30,326,198)</u>
32			
33	NON-UTILITY		
34			
35	255	Investment Tax Credits:	<u>0</u>
36			
37		Accumulated Deferred Income Taxes:	
38	190	Total Account 190	(284,630)
39	282	Total Account 282	(59,785)
40	283	Total Account 283	<u>189,481</u>
41		Total Deferred Income Taxes	<u>(154,934)</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ELIMINATION OF DEFERRED TAX BALANCES RELATED TO
 FACILITIES DEVOTED TO OTHER THAN ULH&P CUSTOMERS
 DATA: "X" BASE PERIOD FORECASTED PERIOD
 AS OF MAY 31, 2005

WPB-6c
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	Description	WPB-6a (1)	Allocation % (A) (2)	To Be Eliminated (Col. 1 * Col. 2) (3)
1	Investment tax Credit - 3%	(41,340)	2.11%	(872) --> To Sch B-6, Page 1
2				
3	Liberalized Depreciation	(27,865,759)	2.11%	(587,968) --> To Sch B-6, Page 1

(A) Ratio of Plant Devoted to Other Than ULH&P Customers to Total Plant. (WPD-2.19g)

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ELIMINATION OF DEFERRED TAX BALANCES RELATED TO
 FACILITIES DEVOTED TO OTHER THAN ULH&P CUSTOMERS
 DATA: BASE PERIOD "X" FORECASTED PERIOD
 AS OF SEPTEMBER 30, 2006

WPB-6d
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	Description	WPB-6b (1)	Allocation % (A) (2)	To Be Eliminated (Col. 1 * Col. 2) (3)
1	Investment tax Credit - 3%	(34,510)	2.11%	(728) --> To Sch B-6, Page 2
2				
3	Liberalized Depreciation	(28,584,930)	2.11%	(603,142) --> To Sch B-6, Page 2

(A) Ratio of Plant Devoted to Other Than ULH&P Customers to Total Plant. (WPD-2.19g)

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 TO REFLECT AMOUNT OF REQUESTED INCREASE

WPC-1a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>SCHEDULE/ WORK PAPER REFERENCE</u>	<u>PROPOSED INCREASE (\$)</u>
1	Operating Revenues	SCH. M	<u>14,048,768</u>
2			
3	Operating Expenses:		
4			
5	Uncollectible Accounts @ 1.1800%	To Sch C-1 ←	<u>165,775</u>
6			
7	Taxes Other Than Income Taxes		
8	KPSC Maintenance Tax @ 0.173%	SCH. H	<u>24,304</u>
9			
10	Operating Expenses Before Income Taxes		<u>190,079</u>
11			
12	Operating Income Before Income Taxes (Line 1 - Line 10)		<u>13,858,689</u>
13			
14	State Income Taxes (Line 12 * 7.00%)	To Sch C-1 ←	<u>970,108</u>
15			
16	Federal Income Taxes (Line 12 - Line 14) * 35%	To Sch C-1 ←	<u>4,511,003</u>
17			
18	Total Operating Expenses		<u>5,671,190</u>
19			
20	Income Available for Fixed Charges		<u>8,377,578</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS DEPARTMENT
FOR THE TWELVE MONTHS ENDED MAY 31, 2005
DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED

WPC-2a
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	TITLE of ACCOUNT	BASE PERIOD OPERATING REVENUES			TOTAL OPERATING REVENUES
		BASE	GAS COST	OTHER	
1	Total Billed Revenue (A)	33,273,941	81,463,815		114,737,756
2					
3	Total Unbilled Revenue (A)	262,164	510,836	(2,000)	771,000
4					
5	Other Gas Utility			0	0
6					
7	Other Revenue: (B)				
8	Late Payment Charge			0	0
9	Misc Service Revenues			22,762	22,762
10	Erlanger Gas Plant			673,276	673,276
11	Transp of Gas for Others			813,633	813,633
12	Firm Transportation	3,486,384			3,486,384
13	Jobbing Revenues			371,063	371,063
14	DSM Tracker			1,781,169	1,781,169
15	AMRP Tracker			4,103,631	4,103,631
16	Other Gas Revenues			51,980	51,980
17	Total Other Revenue			7,817,514	11,303,898
18					
19	Total Revenues	37,022,489	81,974,651	7,815,514	126,812,654

Notes:

(A) Source: WPC-2c.

(B) Source: Schedule C-2.1 and WPC-2c.

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS DEPARTMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006
DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED

WPC-2b
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	TITLE of ACCOUNT	FORECAST PERIOD OPERATING REVENUES			TOTAL OPERATING REVENUES
		BASE	GAS COST	OTHER	
1	Total Billed Revenue (A)	34,760,000	91,850,000		126,610,000
2					
3	Total Unbilled Revenue (A)	(2,000)	(79,000)		(81,000)
4					
5	Other Gas Utility			0	0
6					
7	Other Revenue: (B)				
8	Late Payment Charge			0	0
9	Misc Service Revenues			36,000	36,000
10	Erlanger Gas Plant			0	0
11	Firm Transportation	2,913,000			2,913,000
12	DSM Tracker			1,014,000	1,014,000
13	Other Gas Revenues			0	0
14	Total Other Revenue			1,050,000	3,963,000
15					
16	Total Revenues	37,671,000	91,771,000	1,050,000	130,492,000

Notes:

(A) Source: WPC-2d.

(B) Source: Schedule C-2.1 and WPC-2c.

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS DEPARTMENT
REVENUE DETAIL
FOR THE TWELVE MONTHS ENDED MAY 31, 2005
DATA: *X* BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL **X* UPDATED REVISED

WPC-2c
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Total
1	Customer Charge													
2	Residential	685,821	684,675	684,103	686,999	689,265	693,448	679,903	704,380	700,902	706,269	705,326	703,525	8,324,636
3	Commercial	92,407	92,376	92,284	92,591	92,668	93,482	92,699	94,694	94,433	94,725	94,541	93,850	1,120,750
4	Commercial - Res	12,741	12,741	12,756	12,756	12,802	12,741	12,541	12,771	12,771	12,925	12,863	12,863	153,271
5	Industrial	3,730	3,761	3,699	3,745	3,791	3,776	3,791	3,791	3,838	3,836	3,869	3,869	45,144
6	OPA	5,848	5,787	5,787	5,910	5,818	5,818	5,772	5,894	5,833	5,833	5,833	5,818	69,951
7														
8	Base Revenue													
9	Residential	357,228	314,167	293,528	310,740	414,327	846,067	2,323,231	3,091,652	2,875,122	2,615,708	985,946	736,450	15,164,166
10	Commercial	176,061	165,548	169,079	166,861	211,164	321,312	723,792	1,074,782	1,018,085	906,395	513,069	306,819	5,752,987
11	Commercial - Res	10,888	9,120	8,739	9,043	18,843	36,894	85,166	98,170	88,607	95,139	0	0	470,409
12	Industrial	20,249	17,090	72,412	40,131	42,057	57,910	113,730	181,061	184,337	168,095	108,052	94,521	1,099,645
13	OPA	26,038	18,213	18,282	19,617	30,857	60,312	147,579	211,032	184,488	174,649	55,812	56,476	1,003,355
14	Inter-Dept	66	78	100	50	303	889	1,670	1,472	2,289	1,892	779	2,980	12,588
15														
16	Total Base Revenue	1,390,897	1,323,556	1,360,769	1,348,443	1,521,895	2,132,649	4,189,844	5,478,699	5,180,705	4,785,488	2,485,910	2,017,047	33,216,902
17														
18	GCR Revenue													
19	Residential	1,091,130	916,804	860,319	855,544	1,038,112	2,943,481	7,025,217	10,279,221	9,127,531	8,287,922	5,393,212	2,945,585	50,764,078
20	Commercial	576,594	515,084	530,528	484,207	559,584	1,237,769	2,826,912	4,049,007	3,717,158	3,295,725	2,181,531	1,238,558	21,210,657
21	Commercial - Res	47,615	41,489	40,642	39,068	57,825	136,440	304,569	345,008	319,475	298,898	0	0	1,631,029
22	Industrial	65,725	51,518	276,777	124,232	116,932	219,913	433,094	672,895	655,336	599,287	416,748	290,720	3,922,087
23	OPA	92,433	61,178	61,547	61,727	87,201	236,278	537,475	793,401	664,391	630,901	438,332	227,501	3,892,365
24	Transportation	0	0	0	0	0	0	0	1,063	1,333	1,046	0	4,453	5,516
25	Inter-Dept	317	276	361	162	893	3,534	6,954	5,554	8,268	6,839	4,925	0	38,083
26	Total GCR Revenue	1,873,814	1,586,349	1,770,174	1,564,840	1,860,547	4,777,415	11,134,221	16,146,059	14,483,492	13,119,618	8,432,369	4,704,817	81,463,815
27														
28	DSM Tracker Revenue													
29	Residential	35,922	31,060	28,556	30,599	42,144	86,909	197,548	313,812	287,087	368,450	202,468	113,638	1,738,193
30	Commercial	0	0	0	0	0	0	0	0	0	0	6,946	4,297	11,243
31	Commercial - Res	0	0	0	0	0	0	0	9,795	9,281	12,594	0	0	31,670
32	Industrial	0	0	0	0	0	0	0	0	0	0	0	0	0
33	OPA	0	0	0	0	0	0	0	17	14	13	15	4	63
34	Total DSM Revenue	35,922	31,060	28,556	30,599	42,144	86,909	197,548	323,624	296,382	381,057	209,429	117,939	1,781,169
35														
36	AMRP Tracker Revenue													
37	Residential	167,501	164,658	164,097	164,550	268,013	278,102	273,654	291,514	287,624	290,458	287,546	285,558	2,923,275
38	Commercial	40,670	37,819	36,491	36,483	68,367	79,694	84,408	89,856	90,043	91,559	93,520	92,552	841,561
39	Commercial - Res	1,818	1,778	1,792	1,800	2,883	2,916	2,902	3,043	3,120	3,121	0	0	25,173
40	Industrial	1,832	1,750	1,713	1,695	3,104	3,243	3,253	3,488	3,396	3,454	3,498	3,441	33,847
41	OPA	2,832	2,530	2,466	2,576	4,342	4,776	4,833	4,919	5,581	5,519	5,483	5,434	51,271
42	Transportation	0	0	0	0	0	0	0	51,810	0	0	0	176,694	228,504
43	Inter-Dept	214,653	208,535	206,559	207,104	346,709	368,731	369,050	444,710	389,764	394,110	390,027	563,679	4,103,631
44	Total CIBS Revenue	214,653	208,535	206,559	207,104	346,709	368,731	369,050	444,710	389,764	394,110	390,027	563,679	4,103,631
45														
46	Unbilled Base Revenue													
47	Residential	116,136	82,474	55,813	69,764	349,244	641,168	997,255	(469,604)	(582,278)	(250,534)	(485,870)	(288,638)	215,930
48	Commercial	(12,528)	22,620	12,933	23,416	62,566	145,983	328,890	(86,188)	(131,956)	(124,712)	(106,914)	(107,508)	26,602
49	Commercial - Res	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Industrial	(3,499)	(2,101)	10,515	1,571	10,348	7,408	66,362	(10,260)	(21,268)	(12,620)	(15,176)	(16,848)	14,432
51	OPA	(1,047)	5,181	(460)	12,264	11,205	26,221	54,444	(3,630)	(30,700)	(9,846)	(39,410)	(19,022)	5,200
52	Total Unbilled Base Rev	99,062	88,174	78,801	107,015	432,363	820,780	1,446,951	(568,682)	(766,202)	(397,712)	(647,370)	(430,016)	262,164
53														
54	Unbilled GCR Revenue													
55	Residential	(102,136)	6,526	(19,813)	8,236	626,756	1,708,832	2,884,745	(631,396)	(1,335,722)	(491,466)	(1,400,130)	(888,362)	366,070
56	Commercial	(84,472)	32,360	(933)	7,584	241,434	528,017	1,094,110	(195,812)	(398,044)	(319,288)	(418,086)	(418,492)	69,398
57	Commercial - Res	0	0	0	0	0	0	0	0	0	0	0	0	0
58	Industrial	(16,501)	(6,899)	31,485	(571)	53,652	39,592	132,638	54,260	(73,732)	(25,380)	(58,824)	(72,152)	57,568
59	OPA	(8,953)	7,819	(3,540)	19,736	61,795	116,779	189,556	(18,370)	(103,300)	(14,154)	(148,590)	(77,978)	17,800
60	Total Unbilled GCR Rev	(212,062)	39,826	7,199	34,985	983,637	2,393,220	4,298,049	(791,318)	(1,910,798)	(849,288)	(2,025,630)	(1,456,884)	510,836
61														
62	Transportation													
63	Commercial - FT	15,433	15,422	16,693	16,886	23,148	33,714	53,692	55,999	52,372	52,136	31,245	234	366,874
64	Industrial - FT	125,097	114,513	124,934	126,978	156,474	210,975	183,596	224,092	222,063	231,706	166,223	20,871	1,907,522
65	OPA - FT	5,963	5,561	5,622	6,282	16,745	29,172	43,509	51,951	43,043	42,647	25,122	(8,464)	267,153
66	Commercial - IT	0	0	0	0	0	0	0	0	0	0	0	0	0
67	Industrial - IT	84,821	77,140	87,831	85,521	100,848	84,734	122,335	111,917	92,455	97,133	0	0	944,735
68	OPA - IT	0	0	0	0	0	0	0	0	0	0	0	0	0
69	Total Transportation	231,314	212,636	235,080	235,667	287,215	358,595	403,132	443,959	409,933	423,622	222,590	12,641	3,486,384
70														
71	Unbilled Transportation													
72	Commercial - FT	(4,000)	3,000	0	0	5,000	6,000	17,000	(4,000)	(6,000)	(10,000)	8,000	(12,000)	1,000
73	Industrial - FT	3,000	0	(3,000)	11,000	22,000	22,000	24,000	(28,000)	(9,000)	(28,000)	20,000	(37,000)	(3,000)
74	OPA - FT	(1,000)	(2,000)	0	3,000	0	11,000	10,000	1,000	(6,000)	(8,000)	4,000	(12,000)	0
75	Total Unbilled Transp	(2,000)	1,000	(3,000)	14,000	27,000	39,000	51,000	(31,000)	(21,000)	(46,000)	30,000	(61,000)	(2,000)
76														
77	Misc. Service Revenue	110,464	14											

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS DEPARTMENT
REVENUE DETAIL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006
DATA: BASE PERIOD *X* FORECASTED PERIOD
TYPE OF FILING: ORIGINAL *X* UPDATED REVISIED

WPC-2d
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Total
1	Customer Charge													
2	Residential	710,000	715,000	716,000	724,000	728,000	729,000	734,000	730,000	727,000	726,000	725,000	725,000	8,689,000
3	Commercial	94,000	94,000	95,000	96,000	96,000	96,000	96,000	96,000	95,000	95,000	95,000	95,000	1,143,000
4	Commercial - Res	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
5	Industrial	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
6	OPA	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
7														
8	Base Revenue													
9	Residential	506,000	1,147,000	2,293,000	3,155,000	3,068,000	2,398,000	1,513,000	724,000	411,000	309,000	276,000	304,000	16,094,000
10	Commercial	240,000	436,000	870,000	1,090,000	1,059,000	878,000	531,000	257,000	180,000	141,000	136,000	158,000	5,986,000
11	Commercial - Res	25,000	42,000	83,000	116,000	120,000	87,000	43,000	19,000	14,000	15,000	18,000	16,000	598,000
12	Industrial	52,000	74,000	114,000	142,000	147,000	121,000	87,000	56,000	43,000	42,000	40,000	41,000	959,000
13	OPA	31,000	71,000	165,000	222,000	210,000	170,000	101,000	45,000	21,000	15,000	12,000	16,000	1,069,000
14	Inter-Dept	1,000	2,000	3,000	3,000	2,000	2,000	1,000	1,000	1,000	1,000	0	1,000	18,000
15														
16	Total Base Revenue	1,676,000	2,598,000	4,336,000	5,565,000	5,447,000	4,498,000	3,123,000	1,955,000	1,509,000	1,381,000	1,319,000	1,373,000	34,760,000
17														
18	GCR Revenue													
19	Residential	2,260,000	5,300,000	10,514,000	13,063,000	10,966,000	7,260,000	3,147,000	882,000	872,000	913,000	925,000	1,103,000	57,265,000
20	Commercial	1,217,000	2,296,000	4,566,000	5,142,000	4,309,000	3,028,000	1,257,000	370,000	435,000	475,000	518,000	654,000	24,287,000
21	Commercial - Res	114,000	180,000	380,000	475,000	430,000	262,000	88,000	23,000	31,000	45,000	58,000	59,000	2,155,000
22	Industrial	263,000	390,000	602,000	672,000	599,000	415,000	206,000	79,000	108,000	141,000	155,000	171,000	3,799,000
23	OPA	154,000	377,000	815,000	1,048,000	855,000	588,000	239,000	63,000	49,000	49,000	48,000	68,000	4,353,000
24	Inter-Dept	6,000	9,000	15,000	13,000	10,000	5,000	4,000	1,000	2,000	1,000	2,000	2,000	71,000
25														
26	Total GCR Revenue	4,014,000	8,562,000	16,892,000	20,413,000	17,169,000	11,559,000	4,941,000	1,418,000	1,495,000	1,624,000	1,706,000	2,057,000	91,850,000
27														
28	DSM Tracker Revenue													
29	Residential	72,000	162,000	323,000	118,000	116,000	90,000	57,000	27,000	15,000	12,000	10,000	11,000	1,014,000
30	Commercial	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Commercial - Res	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Industrial	0	0	0	0	0	0	0	0	0	0	0	0	0
33	OPA	0	0	0	0	0	0	0	0	0	0	0	0	0
34	Total DSM Revenue	72,000	162,000	323,000	118,000	116,000	90,000	57,000	27,000	15,000	12,000	10,000	11,000	1,014,000
35														
36	Unbilled Base Revenue													
37	Residential	132,000	399,000	818,000	442,000	(81,000)	(387,000)	(625,000)	(559,000)	(161,000)	(35,000)	(55,000)	105,000	(7,000)
38	Commercial	48,000	128,000	250,000	134,000	7,000	(145,000)	(193,000)	(122,000)	(64,000)	(33,000)	16,000	(25,000)	1,000
39	Commercial - Res	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Industrial	6,000	27,000	38,000	20,000	(2,000)	(13,000)	(26,000)	(27,000)	(19,000)	1,000	(3,000)	1,000	3,000
41	OPA	13,000	29,000	55,000	28,000	(4,000)	(34,000)	(31,000)	(39,000)	(13,000)	(5,000)	9	2,000	1,000
42	Total Unbilled Base Rev	199,000	583,000	1,161,000	624,000	(80,000)	(579,000)	(875,000)	(747,000)	(257,000)	(72,000)	(42,000)	83,000	(2,000)
43														
44	Unbilled GCR Revenue													
45	Residential	707,000	1,801,000	3,285,000	1,858,000	(1,401,000)	(2,217,000)	(2,692,000)	(1,443,000)	21,000	52,000	(22,000)	203,000	(48,000)
46	Commercial	293,000	675,000	1,308,000	360,000	(394,000)	(886,000)	(999,000)	(482,000)	34,000	9,000	70,000	(10,000)	(22,000)
47	Commercial - Res	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Industrial	41,000	137,000	194,000	47,000	(75,000)	(112,000)	(159,000)	(101,000)	(4,000)	19,000	(2,000)	10,000	(5,000)
49	OPA	72,000	157,000	287,000	80,000	(106,000)	(203,000)	(181,000)	(121,000)	(3,000)	(1,000)	3,000	12,000	(4,000)
50	Total Unbilled GCR Rev	1,113,000	2,770,000	5,074,000	2,145,000	(1,976,000)	(3,418,000)	(4,031,000)	(2,147,000)	48,000	79,000	49,000	215,000	(79,000)
51														
52	Transportation													
53	Commercial - FT	15,000	22,000	39,000	48,000	47,000	39,000	25,000	15,000	12,000	11,000	11,000	11,000	295,000
54	Industrial - FT	77,000	107,000	160,000	197,000	203,000	168,000	124,000	84,000	67,000	64,000	62,000	63,000	1,376,000
55	OPA - FT	9,000	17,000	34,000	48,000	45,000	37,000	23,000	12,000	7,000	5,000	5,000	6,000	248,000
56	Commercial - IT	14,000	17,000	19,000	22,000	23,000	19,000	18,000	16,000	15,000	14,000	14,000	14,000	295,000
57	Industrial - IT	53,000	57,000	61,000	61,000	61,000	61,000	59,000	55,000	54,000	54,000	55,000	55,000	687,000
58	OPA - IT	7,000	10,000	11,000	11,000	12,000	10,000	10,000	7,000	6,000	6,000	6,000	6,000	102,000
59	Total Transportation	175,000	230,000	324,000	387,000	391,000	334,000	259,000	189,000	161,000	154,000	153,000	156,000	2,913,000
60														
61	Misc. Service Revenue	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
62														
63	Total Revenue	7,252,000	14,908,000	28,113,000	29,256,000	21,070,000	12,487,000	3,477,000	698,000	2,974,000	3,161,000	3,198,000	3,898,000	130,492,000

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ADJUST BASE PERIOD REVENUE TO FORECAST PERIOD

WPD-2.1a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Base	\$ 37,022,489	\$ 37,671,000	\$ 648,511
2				
3	Gas Cost	81,974,651	91,771,000	9,796,349
4				
5	Other Revenue	<u>7,815,514</u>	<u>1,050,000</u>	<u>(6,765,514)</u>
6				
7	Total Revenue	<u>\$ 126,812,654</u>	<u>\$ 130,492,000</u>	<u>\$ 3,679,346</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ADJUST BASE PERIOD PURCHASED GAS COST

WPD-2.2a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Liquefied Petroleum Gas	\$ 1,013	\$ -	\$ (1,013)
2				
3	Purchased Gas	<u>81,557,495</u>	<u>91,771,000</u>	<u>10,213,505</u>
4				
5	Total Purchased Gas Cost Expenses	<u>\$ 81,558,508</u>	<u>\$ 91,771,000</u>	<u>\$ 10,212,492</u>

↑
 To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
OTHER PRODUCTION EXPENSES

WPD-2.3a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Other Production Expenses	<u>\$ 104,813</u>	<u>\$ 126,256</u>	<u>\$ 21,443</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
OTHER GAS SUPPLY EXPENSES

WPD-2.4a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Other Gas Supply Expenses	<u>\$ 336,271</u>	<u>\$ 359,575</u>	<u>\$ 23,304</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD TRANSMISSION EXPENSE

WPD-2.5a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Transmission Expense	<u>\$ (26,251)</u>	<u>\$ -</u>	<u>\$ 26,251</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD DISTRIBUTION EXPENSE

WPD-2.6a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Distribution Expense	<u>\$ 4,119,227</u>	<u>\$ 5,439,420</u>	<u>\$ 1,320,193</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD CUSTOMER ACCOUNTS EXPENSE

WPD-2.7a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Customer Accounts Expense	<u>\$ 3,271,469</u>	<u>\$ 3,917,846</u>	<u>\$ 646,377</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD CUSTOMER SERVICE
AND INFORMATION EXPENSE

WPD-2.8a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Customer Service & Information Expense	<u>\$ 354,578</u>	<u>\$ 395,741</u>	<u>\$ 41,163</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD SALES EXPENSE

WPD-2.9a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Sales Expense	<u>\$ 1,089,307</u>	<u>\$ 1,143,728</u>	<u>\$ 54,421</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD A&G EXPENSE

WPD-2.10a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	A&G Expense	<u>\$ 9,329,352</u>	<u>\$ 8,629,556</u>	<u>\$ (699,796)</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ELIMINATE OTHER OPERATING EXPENSE

WPD-2.11a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Depreciation Expense	<u>\$ 120,199</u>	<u>\$ -</u>	<u>\$ (120,199)</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD DEPRECIATION EXPENSE

WPD-2.12a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Depreciation Expense	<u>\$ 8,688,175</u>	<u>\$ 9,386,000</u>	<u>\$ 697,825</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUST BASE PERIOD OTHER TAX EXPENSE

WPD-2.13a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Base Period</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Other Federal Taxes	\$ 523,907	\$ 612,126	\$ 88,219
2				
3	State and Other Taxes	<u>1,205,777</u>	<u>2,557,874</u>	<u>1,352,097</u>
4				
5	Total Taxes Other than Income Taxes	<u>\$ 1,729,684</u>	<u>\$ 3,170,000</u>	<u>\$ 1,440,316</u>

↑
To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ADJUST INCOME TAX EXPENSE

WPD-2.14a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

Line No.	Description	Adjustments to		Amount
		Base Period	Forecast Period	
1	<u>Schedule D-1</u>			
2	State	\$ (698,909)	\$ 82,063	\$ (616,846)
3	Federal	(3,249,938)	381,602	(2,868,336)
4				
5	<u>Schedule E-1</u>			
6	State	(168,095)	82,064	(86,031)
7	Federal	(2,770,384)	381,602	(2,388,782)
8				
9	<u>Difference</u>			
10	State	530,814	1	530,815
11	Federal	479,554	0	479,554

↑
 To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 INJURIES AND DAMAGES ADJUSTMENT

WPD-2.15a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Year</u>	<u>Injuries & Damages Acct. 925090</u>	<u>CPI 2004 = 100 (A)</u>	<u>Total Adjusted To 2004 Dollars</u>
1	1995	509,176	80.7%	630,949
2	1996	(234,761)	83.3%	(281,826)
3	1997	40,506	84.8%	47,767
4	1998	116,731	86.1%	135,576
5	1999	385,807	88.4%	436,433
6	2000	674,389	91.4%	737,844
7	2001	174,462	92.9%	187,795
8	2002	(19,353)	95.1%	(20,350)
9	2003	(131,359)	96.8%	(135,701)
10	2004	<u>200,015</u>	100.0%	<u>200,015</u>
11		<u>1,715,613</u>		<u>1,938,502</u>
12				
13	Ten Year Average			193,850
14	Less: Test Year Expenses			<u>49,893</u>
15	Adjustment			<u>143,957</u>

(A) Source: WPD-2.15b

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 CALCULATION OF CONSUMER PRICE INDEX
 FOR URBAN CONSUMERS
 BASED ON THE PERIOD ENDED JUNE 2004 = 100%

WPD-2.15b
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Year</u>	<u>Consumer Price Index (A)</u>	<u>CPI 2004 =100 Col. 2 / 190.3</u>
1	1995	153.5	80.7%
2	1996	158.6	83.3%
3	1997	161.3	84.8%
4	1998	163.9	86.1%
5	1999	168.3	88.4%
6	2000	174.0	91.4%
7	2001	176.7	92.9%
8	2002	180.9	95.1%
9	2003	184.3	96.8%
10	2004	190.3	100.0%

} → To WPD-2.15a

(A) Prepared by U.S. Department of Labor - Month of December.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 AMORTIZATION OF RATE CASE EXPENSE
 FOR THE TWELVE MONTHS ENDED MAY 31, 2005

WPD-2.16a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
		\$
1	<u>Case No. 2005-00042</u>	
2	Estimated Expense	<u>195,000</u>
3		
4	Test Period Amortization (Line 2 / 3 yrs)	65,000
5		
6	Annual Rate Case Expense - Case No. 2005-00042	<u>65,000</u>
7		
8	<u>Case No. 2001-092</u>	
9	AMRP Study Costs	2,670
10		
11	Base Period Amortization (Line 9 * 12 months)	32,040
12		
13	Rate Case Expense - Case No. 2001-092	<u>32,040</u>
14		
15	Test Period Rate Case Expense	From Sch F-6 <---
16		97,040
17	Amount Included in the Test Period	<u>32,040</u>
18		
19	Adjustment to Test Period Expenses	To Sch D-2.16 <---
		<u>65,000</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ANNUALIZE AFFILIATED COMPANY RENTS

WPD-2.17a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Account</u>	<u>Description</u>	<u>Actual Monthly Amount</u>	<u>Months to Annualize</u>	<u>Adjustment</u>
1	488030	Misc. Gas Rev - Erlanger Gas Plant	\$ 36,595	12	\$ 439,140
2	489010	Rev Transp. of Gas - Assoc Co.	54,828	12	657,936
3		Total Revenue Annualization	<u>\$ 91,423</u>		<u>\$ 1,097,076</u>
4					
5	881020	Rents Interco - Buildings	\$ 13,599	12	\$ 163,188
6	881030	Rents Interco - Stores	8,278	12	99,336
7	881040	Rents Interco - Microwave	10,425	12	125,100
8		Total Expense Annualization	<u>\$ 32,302</u>		<u>\$ 387,624</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042

DATA: BASE PERIOD "X" FORECASTED PERIOD
 FEDERAL & STATE INCOME TAX ON INTEREST DEDUCTION

WPD-2.18a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

Line No	Description	Schedule Reference	Long-Term Debt	Short-Term Debt
1	Capital Structure	J-1, page 2	38.164%	7.382%
2				
3	Debt Portion of \$165,798,581 Gas Capitalization	WPA-1c	63,275,370	12,239,251
4				
5	Less: Debt Portion of \$4,120,000 CWIP Subject to AFUDC	B-4	1,572,357	304,138
6				
7	Debt Component less Applicable Portion		61,703,013	11,935,113
8	of Gas CWIP Subject to AFUDC			
9				
10	Annual Cost Rate	J-1, page 2	6.3020%	3.8750%
11				
12	Annualized Gas Interest Expense			
13	for each Debt Component		3,888,524	462,486
14				
15	Total Annualized Gas Interest Expense			4,351,010
16				
17	Test Period Gas Interest Deduction	WPD-2.18b		4,558,827
18				
19	Decrease in Gas Interest Expense			(207,817)
20				
21	State Income Tax Effect @ 7. % (A)	To Sch D-2.18, Pg. 2 <--		14,547
22				
23	Federal Income Tax Effect @ 35.00% (A)	To Sch D-2.18, Pg. 1 <--		67,645

(A) Source: Schedule H

WPD-2.18b
 WITNESS RESPONSIBLE:
 W. D. WATHEN

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 DATA: BASE PERIOD "X" FORECASTED PERIOD
 GAS BOOK INTEREST EXPENSE

Line No.	Description	Total	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
1	Interest on Long-Term Debt	3,912,996	270,444	270,444	270,444	270,444	270,444	270,444	270,444	270,444	270,444	493,000	493,000	493,000
2	Short-Term Interest	234,000	39,750	47,750	60,750	85,750	0	0	0	0	0	0	0	0
3	Other Interest	290,004	24,167	24,167	24,167	24,167	24,167	24,167	24,167	24,167	24,167	24,167	24,167	24,167
4	Amortization of Debt Items	121,827	9,380	9,380	9,380	9,380	9,380	9,380	9,380	9,380	9,380	12,469	12,469	12,469
5	Total Interest Expense	4,558,827	343,741	351,741	364,741	389,741	303,991	303,991	303,991	303,991	303,991	529,636	529,636	529,636

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ELIMINATION OF REVENUES AND EXPENSES RELATED TO FACILITIES
 DEVOTED TO OTHER THAN ULH&P CUSTOMERS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

WPD-2.19a
 PAGE 1 OF 2
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	Description	Amount	
		\$	
1	<u>Other Operating Revenues</u>		
2			
3	Inter Company Unaccounted for Gas (Acct. 483500)	0	
4	Misc. Service Revenues (Acct. 488030) (Erlanger Gas Plant)	<u>(439,140)</u>	
5	Total Other Operating Revenues	<u>(439,140)</u>	--> To Sch D-2.19 Pg 1
6			
7	<u>Expenses</u>		
8			
9	Operation and Maintenance		
10	O&M related to Interstate Service (WPD-2.19b)	(297,515)	
11	O&M related to Erlanger Gas Plant (WPD-2.19c)	<u>(72,910)</u>	
12	Total Operation and Maintenance Expenses	<u>(370,425)</u>	--> To Sch D-2.19 Pg 2
13			
14	Other State and Local Taxes		
15	Social Security (WPD-2.19b)	(7,248)	--> To Sch D-2.19 Pg 3
16			
17	Property Tax Expense		
18	2,550,000 @ 2.16%	(53,805)	--> To Sch D-2.19 Pg 4
19			
20	KYPSC Maint. Adj. - On Revenue Acct. 488030		
21	(\$439,140) Adjustment @ 0.173% (B)	(760)	--> To Sch D-2.19 Pg 5
22			
23	Total Adjustment to Operating Expense	<u>(432,238)</u>	
24			
25			
26	Income before State and Federal Income taxes	<u>(6,902)</u>	
27			
28	Adjustments To State And Federal Income Taxes:		
29			
30	Elimination of Reconciling Items & Sch "M"'s related to Facilities		
31	Devoted to Other Than ULH&P Customers:		
32			
33			
34			
35			
36		Sch E-1	Alloc to Fac. Devoted - Other Than ULH&P Custs. To Be Eliminated
37		(1)	(WPD-2.19g) (1*2) (3)
38	Tax Depreciation	(14,541,000)	2.11% (306,815) --> To Sch E-1
39	Loss on ACRS	0	2.11% 0 --> To Sch E-1
40			
41			
42	Total Schedule "M" Adjustments to be Eliminated		<u>(306,815)</u>
43			
44	State Taxable Income (Ln 23 - Ln 39)		<u>299,913</u>
45			
46	State Income Tax Expense @ 7.0% (A)		<u>20,994</u> --> To Sch D-1
47			
48	Federal Taxable Income (Ln 42 - Ln 43)		<u>278,919</u>
49			
50	Federal Income Tax Expense @ 35.000% (A)		<u>97,622</u> --> To Sch D-1

(A) Source: Schedule H

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ELIMINATION OF REVENUES AND EXPENSES RELATED TO FACILITIES
 DEVOTED TO OTHER THAN ULH&P CUSTOMERS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

WPD-2.19a
 PAGE 2 OF 2
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	Description	Sch E-1 (1)	Allc to Fac. Devoted to Other Than ULH&P Custs. (WPD-2.19g) (2)	To Be Eliminated (1*2)
1				
2	Elimination of State Tax Deferrals related to Facilities			
3	Devoted to Other Than ULH&P Customers:			
4				
5	Lib. Depreciation (Deferral)	(1,017,870)	2.11%	<u>(21,477)</u> - To Sch-
6				D-2.19 Pg 5
7				
8				
9				
10	Elimination of Federal Tax Deferrals related to Facilities			
11	Devoted to Other Than ULH&P Customers:			
12				
13	Lib. Depreciation (Deferral)	(4,733,096)	2.11%	<u>(99,868)</u> - To Sch-
14				D-2.19 Pg 5

**** NOTE: The Depreciation Expense related to Facilities Devoted to Other Than ULH&P Customers is calculated on the Schedule which annualizes that expense. (Sch D-2.23)

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 EXPENSES RELATED TO FACILITIES
 DEVOTED TO OTHER THAN ULH&P CUSTOMERS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

WPD-2.19b
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	Description	Amount	Allocation % (A)	Allocated Amount	
1					
2	<u>O&M Expenses (WPD-2.19d)</u>				
3					
4					To Sch G
5	Lines and Odorization Station Equip.	414,844	61.7%	255,959	as a reduction
6	Lines and Odorization Station Equip. -				to various
7	Payroll Overhead (B)	67,351	61.7%	41,556	→ payroll OH
8					
9		<u>482,195</u>		<u>297,515</u>	→ To
10					WPD-2.19a
11					
12					
13	<u>Social Security Taxes</u>				
14					
15	Lines and Odorization St. Equip. (C)	<u>11,747</u>	61.7%	<u>7,248</u>	→ To
16		<u>11,747</u>		<u>7,248</u>	WPD-2.19a
17					& To Sch G
18					as a reduction
19					to various
20	(A) Rate based on CG&E/ULH&P Transportation and Reimbursement Agreement.				payroll taxes.
21					
22	(B) A&G Payroll Overheads computed at 43.0% on Labor Expenses				
23					
24	Lines and Odorization Station Equip.				
25					
26		156,630			→ From WPD-2.19d
27		<u>43.0%</u>			
28		<u>67,351</u>			
29					
30	(C) Social Security Taxes computed at 7.5% on Labor Expenses				
31					
32	Lines and Odorization Station Equip.				
33					
34		156,630			→ From WPD-2.19d
35		<u>7.5%</u>			
36		<u>11,747</u>			

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 PRODUCTION OPERATING EXPENSES ALLOCABLE TO
 ULH&P CUSTOMERS
 FIVE YEAR AVERAGE THROUGH FEBRUARY 2004

WPD-2.19c
 WITNESS RESPONSIBLE:
 W. D. WATHEN

Line No.	Account	5 Year Average				Total	Alloc % (1)	Alloc to KY Cust.
		Nov.	Dec.	Jan.	Feb.			
1	711000	1,175	2,181	6,232	1,187	10,775	52.94%	5,704
2	712000	216	401	1,129	1,366	3,112	52.94%	1,647
3	717000	6,308	6,913	8,580	4,412	26,213	52.94%	13,877
4	728000	393	(1,445)	1,725	0	673	52.94%	356
5	728001	1,208	8,450	58,863	18,283	86,804	52.94%	45,954
6	735000	<u>898</u>	<u>2,594</u>	<u>4,455</u>	<u>2,200</u>	<u>10,147</u>	52.94%	<u>5,372</u>
7								
8	Total	<u>10,198</u>	<u>19,094</u>	<u>80,984</u>	<u>27,448</u>	<u>137,724</u>		<u>72,910</u>

(1) Source: WPD-2.19f.

(2) Expenses only for months in which Propane was vaporized.

Assumption: Propane was vaporized in November - February each year.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 OPERATION AND MAINTENANCE EXPENSE
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

WPD-2.19d
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Account</u>	<u>Labor</u>	<u>M&E</u>	<u>Total</u>
1	<u>Total Accounts 874 and 887 (1)</u>			
2	874000	739,506	573,846	1,313,352
3	887000	<u>858,220</u>	<u>259,995</u>	<u>1,118,215</u>
4				
5	Total O&M to Eliminate	<u>1,597,726</u>	<u>833,841</u>	<u>2,431,567</u>
7				
8	<u>Ratio of Odorization Station Equip to Total Account (2)</u>			
9	874000	2.31%	29.49%	
10	887000	16.26%	12.00%	
11				
12	Various Lines &			
13	<u>Odorization Station Equip.</u>			
14	874000	17,083	138,230	155,313
15	887000	<u>139,547</u>	<u>119,984</u>	<u>259,531</u>
16				
17				
18	Total O&M to Eliminate	<u>156,630</u>	<u>258,214</u>	<u>414,844</u>

(1) Per budget.

(2) Source: WPD-2.19e

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 OPERATION AND MAINTENANCE EXPENSE
 FOR THE FIVE YEARS ENDED DECEMBER 31, 2004

WPD-2.19e
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Account</u>	<u>Labor</u>	<u>M&E</u>	<u>Total</u>
1	Various Lines &			
2	<u>Odorization Station Equip. (1)</u>			
3	874000	12,798	87,601	100,399
4	887000	<u>99,207</u>	<u>149,134</u>	<u>248,341</u>
5				
5	Total O&M to Eliminate	<u>112,005</u>	<u>236,735</u>	<u>348,740</u>
6				
7				
8	<u>Total Accounts 874 and 887</u>			
9	874000	553,846	297,072	850,918
9	887000	<u>610,269</u>	<u>1,242,762</u>	<u>1,853,031</u>
10				
11	Total O&M to Eliminate	<u>1,164,115</u>	<u>1,539,834</u>	<u>2,703,949</u>
12				
13				
13	<u>Ratio of Odorization Station Equip to Total Account (2)</u>			
14	874000	2.31%	29.49%	
15	887000	16.26%	12.00%	

(1) Work Codes GMOMC, GMOMP, KOTADMIN, KOTMAINT, KOTEXP.
 No activity for Work Codes KOTADMIN, KOTMAINT, KOTEXP.

(2) To be applied to Accounts 874 and 887 as budgeted.

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ERLANGER GAS PLANT
 PROPANE GALLONS VAPORIZED FOR CG&E AND ULH&P
 FIVE YEAR AVERAGE ENDED DECEMBER 31, 2004

WPD-2.19f
 WITNESS RESPONSIBLE:
 W. D. WATHEN

Line No.	Month	CG&E	ULH&P	Total	
1	January	116,384	188,221	304,605	
2	February	55,237	53,414	108,651	
3	March	48,681	34,344	83,025	
4	April	233	222	455	
5	May	0	0	0	
6	June	0	0	0	
7	July	0	0	0	
8	August	0	0	0	
9	September	0	0	0	
10	October	0	0	0	
11	November	7,036	1,266	8,302	
12	December	32,898	22,578	55,476	
13	Physical Inv. Adj.	0	0	0	
14	Total	<u>260,469</u>	<u>300,045</u>	<u>560,514</u>	
15					
16	Percent	46.47%	53.53%	100.00%	
17					
18					Non KY
19					Customer
20		<u>Normal (1)</u>	<u>Production</u>	<u>Variance</u>	<u>Percent</u>
21	CG&E	65.00%	46.47%		
22	ULH&P	35.00%	53.53% (2)	18.53%	52.94% (3)
23					↑
24					To WPD-2.19c

- (1) Allocation of fixed costs per agreement between ULH&P and CG&E.
- (2) Percentage of production expenses related to KY customers.
- (3) Percentage of production expenses related to non-KY customers to be eliminated.
 (ULH&P Variance / ULH&P Normal)

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 COMPUTATION OF RATIO OF PLANT DEVOTED TO OTHER THAN
 ULH&P CUSTOMERS TO TOTAL PLANT FOR ELIMINATION PURPOSES
 AS OF SEPTEMBER 30, 2006

WPD-2.19g
 WITNESS RESPONSIBLE:
 W. D. WATHEN

LINE NO.	Description	Schedule		Amount
1	Total Net Gas Plant before Adjustment			
2	of Facilities Devoted to Other	B-2	Original Cost	\$ 288,850,000
3	Than ULH&P Customers	less: B-3, Pg 4	Accum Depr.	<u>94,217,000</u>
4			Net Plant	<u>\$ 194,633,000</u>
5				
6	Total Net Gas Plant Devoted to	B-2.2 Total	Original Cost	\$ 11,103,000
7	Other Than ULH&P Customers	less: B-3.1 Reserve	Accum Depr.	<u>6,987,000</u>
8			Net Plant	<u>\$ 4,116,000</u>
9				
10				
11	Ratio of Plant Devoted to Other Than			
12	ULH&P Customers to Total Plant (Line 8 / Line 4)			<u>2.11%</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ANNUALIZATION OF AFUDC FOR
CONSTRUCTION WORK IN PROGRESS

WPD-2.20a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>SCHEDULE/ WORK PAPER REFERENCE</u>	<u>AMOUNT (\$)</u>
1	Jurisdictional CWIP subject to AFUDC	Sch B-4	4,120,000
2			
3	Rate of return at September 30, 2006	Sch J-1, Page 2	<u>8.79%</u>
4			
5	Annualized AFUDC	To Sch D-2.20 <--	<u>362,148</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ELIMINATION OF DSM REVENUE & EXPENSES RECOVERED
THROUGH DSM RIDER MECHANISM

WPD-2.21a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Revenue</u> \$	<u>Expense</u> \$
1	October-05	(72,000)	(72,000)
2	November-05	(162,000)	(162,000)
3	December-05	(323,000)	(323,000)
4	January-06	(119,000)	(119,000)
5	February-06	(116,000)	(116,000)
6	March-06	(90,000)	(90,000)
7	April-06	(57,000)	(57,000)
8	May-06	(27,000)	(27,000)
9	June-06	(15,000)	(15,000)
10	July-06	(12,000)	(12,000)
11	August-06	(10,000)	(10,000)
12	September-06	(11,000)	(11,000)
13	Grand Total	<u>(1,014,000)</u>	<u>(1,014,000)</u>

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 ELIMINATE MISCELLANEOUS EXPENSES

WPD-2.22a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>Line No.</u>	<u>Activity</u>	<u>Account</u>	<u>Description</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	EMPLRECG	880000	Gas Distribution-Other Expenses	\$ 453	\$ (453)
2	EMPLRECG	921000	Office Supplies and Expenses	324	(324)
3	EVENTS	921000	Office Supplies and Expenses	11,418	(11,418)
4	ADVERTIS	909000	Info/Instr Adv-Com Affair	50,526	(50,526)
5	ADVERTIS	910000	Misc Cust Serv And Info	40,997	(40,997)
6	ADVERTIS	913000	Adv Exp-Mrkting/Cust Reltns	11,154	(11,154)
7	ADVERTIS	921000	Admin / Gen Off Suppl/Exp	15,984	(15,984)
8	CLUBDUES	910000	Misc Cust Serv And Info	1,016	(1,016)
9	CLUBDUES	921000	Office Supplies and Expenses	896	(896)
10	COMRELAT	910000	Misc Cust Serv And Info	18,903	(18,903)
11					
12			Total Miscellaneous Expenses	<u>\$ 151,671</u>	<u>\$ (151,671)</u>

↑
 To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ANNUALIZATION OF DEPRECIATION EXPENSE FOR THE
THIRTEEN MONTHS ENDED SEPTEMBER 30, 2006.

WPD-2.23a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>SCHEDULE/ WORK PAPER REFERENCE</u>	<u>Amount (\$)</u>
1	Depreciation Expense - Annualized	Sch B-3.2	8,840,365
2	Depreciation Expense - Test Period	Sch C-2.1	<u>9,386,000</u>
3	Annualized Depreciation Adjustment		<u>(545,635)</u> --> To Sch D-2.23 & Sch E-1, Pg. 1 Ln. 12

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ADJUSTMENT TO DEFERRED TAXES DUE TO
ANNUALIZATION OF DEPRECIATION EXPENSE

WPD-2.23b
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>SCHEDULE/ WORK PAPER REFERENCE</u>	<u>Amount (\$)</u>
1	Annualized Depreciation Adjustment	WPD-2.23a	(545,635)
2	State Deferred Tax Adjustment (Line 1 * 8.25%)		38,000 --> To Sch D-2.23
3	Federal Deferred Tax Adjustment ((Line 1 + Line 4) * 35%)		178,000 --> To Sch D-2.23

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ELIMINATE UNBILLED REVENUE

WPD-2.24a
WITNESS RESPONSIBLE:
W. D. WATHEN

<u>Line No.</u>	<u>Description</u>	<u>Forecast Period</u>	<u>Adjustment</u>
1	Unbilled Base Revenue	\$ (2,000)	\$ 2,000
2	Unbilled GCR Revenue	<u>(79,000)</u>	<u>79,000</u>
3	Total Unbilled Revenue	<u>\$ (81,000)</u>	<u>\$ 81,000 (A)</u>
4	Unbilled Gas Costs	<u>\$ (79,000)</u>	<u>\$ (79,000)</u>

(A) To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS DEPARTMENT
CASE NO. 2005-00042
ANNUALIZE OTHER REVENUE

WPD-2.25a
WITNESS RESPONSIBLE:
J. R. BAILEY

<u>Line No.</u>	<u>Description</u>	<u>Proposed Increase</u>	<u>Adjustment</u>
1	Bad Check Charges	\$ 8,182	\$ 8,182
2	Reconnection Charges	<u>4,667</u>	<u>4,667</u>
3	Total Other Revenue	<u>\$ 12,849</u>	<u>\$ 12,849 (A)</u>

(A) To Schedule D-1

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS DEPARTMENT
DETAIL OF INCOME TAX RECONCILING ITEMS

WPE-1a
WITNESS RESPONSIBLE:
A. J. TOROK

LINE No.	DESCRIPTION	BASE PERIOD	FORECAST PERIOD
		Twelve Months Ended May 31, 2005	Twelve Months Ended September 30, 2006
1	Oper Income Before Federal & State Income Taxes	16,137,322	6,152,878
2	Operating Income Adjustment	(544,709)	(11,812)
3	Operating Income Before Federal & State Income Tax	15,592,613	6,141,066
4			
5	1107 Interest Charges Allocated	(1,889,557)	(4,071,000)
6			
7	1102 Accounting Depreciation	8,688,175	9,386,000
8	1108 Amortization of Loss on Reacquired Debt	68,140	96,000
9	1115 Loss on ACRS	(106,925)	0
10	1123 Tax Depreciation	(19,710,835)	(14,541,000)
11	1138 Deferred Fuel Cost - PGA	2,044,439	(78,000)
12	OTH Other	797,853	0
13			
14			
15	F.T.I. Before S.I.T. & Federal Tax Loss Carryforward	5,483,903	(3,066,934)
16			
17	Ky Tax Inc Adj - Misc:		
18	Kentucky Tax Inc. Adjustment -Misc	8,755,561	0
19			
20	Kentucky Taxable Income	14,239,464	(3,066,934)
21			
22	Kentucky Income Tax Expense @ 7.000%	1,002,554	(215,000)
23	Surtax Credit	37,521	
24	Ohio Income Tax Payable	401	
25			
26	State Income Tax Deductible	1,040,476	(215,000)
27	Prior Year Adjustments	(1,087,381)	
28		(46,905)	(215,000)
29			
30	F.T.I. Bef S.I.T. & Fdrl Tax Loss Carryforward	5,483,903	(3,066,934)
31	Kentucky Income Tax	1,040,075	(215,000)
32	Ohio Income Tax	401	
33			
34	Federal Taxable Income - Ordinary	4,443,427	(2,851,934)
35			
36	Federal Income Tax Before Credits @ 35%	1,555,212	(998,000)
37	Fuel Tax Credit	2,320	0
38	Interperiod Income Tax Allocation	214,852	0
39	Prior Year Adjustments	2,353,593	0
40			
41	Federal Income Tax Payable	4,125,977	(998,000)

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
GAS DEPARTMENT
DETAIL OF INCOME TAX RECONCILING ITEMS

WPE-1b
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	DESCRIPTION	Actual			
		5 Months Ended May 2004	12 Months Ended Dec, 2004	5 Months Ended May 2005	12 Months Ended May 2005
1	Income Before Federal & State Income Tax	12,302,353.48	18,583,666.34	9,311,300.16	15,592,613.02
2					
3	1102 Accounting Depreciation	3,428,417.67	8,417,817.06	3,698,775.67	8,688,175.06
4	1104 Tax Interest Capitalized	31,274.00	92,795.00	57,736.00	119,257.00
5	1105 AFUDC - Debt - Timing	(2,212.82)	(6,662.81)	(8,939.27)	(13,389.26)
6	1106 Provision for Injuries and Damages	(390,862.00)	(437,862.00)	(30,563.00)	(77,563.00)
7	1107 Interest Charges Allocated	(799,146.12)	(1,977,328.07)	(711,374.88)	(1,889,556.83)
8	1108 Amortization of Loss on Reacquired Debt	32,657.04	78,376.89	22,420.00	68,139.85
9	1111 DSM Costs	5,468.13	(525,024.05)	(4,068.50)	(534,560.68)
10	1113 Business Meals	6,500.00	17,765.00	7,905.00	19,170.00
11	1114 Employee Medical & Hospital Adjustment	-	4,506.97	-	4,506.97
12	1115 Loss on ACRS	(205,365.00)	(220,440.00)	(91,850.00)	(106,925.00)
13	1118 Fuels Tax Adjustment	2,320.00	-	-	(2,320.00)
14	1124 Tax Depreciation Liberl Over Normal	(7,736,520.00)	(19,374,606.00)	(8,072,749.00)	(19,710,835.00)
15	1126 Uncollectible Accts Provision Adj	19,955.62	(44,746.37)	2,594.92	(62,107.07)
16	1130 Cost of Removal Adjustment	(59,835.00)	(3,862.00)	(1,608.00)	54,365.00
17	1132 Book Depr - Trans Equipmt Subj to ADR	4,823.00	10,211.00	1,794.00	7,182.00
18	1138 Deferred Fuel Cost - PGA	10,258,601.47	2,718,325.28	9,584,715.03	2,044,438.84
19	1146 Pension Cost FASB-87	-	145,503.00	60,802.00	206,305.00
20	1147 Contributions in Aid of Construction	(256,817.10)	(348,178.67)	(148,350.00)	(239,711.57)
21	1149 Vacation Pay Accrual	(838.40)	90,833.96	(40,357.14)	51,315.22
22	1150 Unbilled Revenue - Fuel	(6,568,224.00)	976,360.00	(7,034,018.00)	510,566.00
23	1152 Post Retirement Benefits - Life Ins.	-	(7,936.00)	(3,319.00)	(11,255.00)
24	1156 Post Retirement Benefits - Health Care	-	136,697.00	47,252.00	183,949.00
25	1161 Amortization of CSS	420.40	420.40	-	-
26	1162 Post Employment Benefits - SFAS 112	-	30,076.00	12,570.00	42,646.00
27	1169 Retirees Supplemental Pension Plan	-	832.00	351.00	1,183.00
28	1194 Meter Inventory	(213,649.85)	(441,808.02)	-	(228,158.17)
29	1201 Annual Incentive Plan Compensation	-	(7,344.00)	(3,068.00)	(10,412.00)
30	1207 Offsite Gas Storage Costs	2,987,700.00	(24,534.00)	3,806,425.00	794,191.00
31	1209 Truck Stock Inventory	-	9,325.00	-	9,325.00
32	1211 Amortization of Gains on I/C Sales of Plant	700.00	(44,502.00)	(38,057.00)	(83,259.00)
33	1212 Gas Supplier Refunds	-	368,346.45	(577,903.22)	(209,556.77)
34	1222 401K Incentive Plan	-	17,081.00	7,142.00	24,223.00
35	1227 Excess Salvage	2,285.00	-	-	(2,285.00)
36	1249 Benefits Adjustment	(222,260.00)	-	-	222,260.00
37	1252 Gas Rate Costs	49,642.40	87,820.82	(16,191.82)	21,986.60
38					
39					
40	F.T.I. Before S.I.T. & Federal Tax Loss Carryforward	12,677,387.92	8,321,925.18	9,839,365.95	5,483,903.21
41					
42	Ky Tax Inc Adj - Misc:				
43	Kentucky Tax Inc. Adjustment -Bonus Depr	3,184,900.00	8,003,633.00	3,936,828.00	8,755,561.00
44					
45	Kentucky Taxable Income	15,862,287.92	16,325,558.18	13,776,193.95	14,239,464.21
46					
47	Kentucky Income Tax Expense @ 7.000%	1,308,639.00	1,346,859.00	964,334.00	1,002,554.00
48	Surtax Credit	(3,979.00)	(3,095.00)	36,637.00	37,521.00
49	Ohio Income Tax Payable	840.00	552.00	-	(288.00)
50	State Income Tax Payable Year to Date	1,305,500.00	1,344,316.00	1,000,971.00	1,039,787.00
51					
52	F.T.I. Bef S.I.T. & Fdrl Tax Loss Cryfowd	12,677,387.92	8,321,925.18	9,839,365.95	5,483,903.21
53	Kentucky Income Tax	1,304,660.00	1,343,764.00	1,000,971.00	1,040,075.00
54	Ohio Income Tax	840.00	552.00	689.00	401.00
55					
56	Federal Taxable Income - Ordinary	11,371,887.92	6,977,609.18	8,837,705.95	4,443,427.21
57					
58	Federal Income Tax Before Credits @ 35%	3,980,161.00	2,442,163.00	3,093,210.00	1,555,212.00
59	Fuel Tax Credit	(2,320.00)	-	-	2,320.00
60	Interperiod Income Tax Allocation	(19,648.00)	-	195,204.00	214,852.00
61	Federal Income Tax Payable	3,958,193.00	2,442,163.00	3,288,414.00	1,772,384.00

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
ADVERTISING
DATA: "X" BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED MAY 31, 2005

WPF-4a
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Project / Description	Total (\$)	Jun-04 (\$)	Jul-04 (\$)	Aug-04 (\$)	Sep-04 (\$)	Oct-04 (\$)	Nov-04 (\$)	Dec-04 (\$)	Jan-05 (\$)	Feb-05 (\$)	Mar-05 (\$)	Apr-05 (\$)	May-05 (\$)
1	Newspaper													
2	Roman Brandgroup - Call Center	7,989	0	0	0	0	0	0	0	0	0	0	2,458	5,531
3														
4	Magazines and Other	0	0	0	0	0	0	0	0	0	0	0	0	0
5														
6	Television													
7	Shaw Strategic Marketing	167	0	0	0	0	0	0	0	0	0	0	167	0
8														
9	Radio													
10	Roman Brandgroup - Safety	26,510	8,742	152	2,574	27	8,903	3,912	1,443	0	0	442	75	240
11	Roman Brandgroup - Agency	4,937	78	141	110	154	247	0	137	0	362	417	1,311	1,980
12		31,447	8,820	293	2,684	181	9,150	3,912	1,580	0	362	859	1,386	2,220
13														
14	Direct Mail													
15	Arnity Unlimited Inc.	57	0	0	0	0	0	0	0	0	0	0	0	57
16	Moore Wallace	1,225	0	0	0	0	0	0	0	0	0	0	528	697
17		1,282	0	0	0	0	0	0	0	0	0	0	528	754
18														
19	Sales Aids	0	0	0	0	0	0	0	0	0	0	0	0	0
20														
21	Other													
22	Ad-Pro Signs LLC	31	0	0	0	0	0	0	0	0	0	0	31	0
23	Delivera	22	0	0	0	0	0	0	0	0	0	0	0	22
24	Harris Interactive	244	0	0	0	0	0	0	0	0	0	0	0	244
25	Herron Associates Inc.	175	0	0	0	0	0	0	0	0	0	0	0	175
26		472	0	0	0	0	0	0	0	0	0	0	31	441
27														
28	Total	41,357	8,820	293	2,684	181	9,150	3,912	1,580	0	362	859	4,570	8,946

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-00042
PROFESSIONAL SERVICES EXPENSES
DATA: "X" BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED MAY 31, 2005

WPF-5a
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Project / Description	Total	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1	Legal													
2	Emplmt - Employee Litigation	257	0	0	0	0	0	0	0	0	0	0	236	21
3	HrGenrl - General HR	147	0	0	0	0	0	0	0	0	0	102	39	6
4	Leglabor - Labor	177	0	0	0	0	0	0	0	0	14	131	32	0
5	Litigati - Litigation	186	0	0	0	0	0	0	0	0	0	0	93	93
6	PUHCA	331	0	0	0	0	0	0	0	0	48	173	110	0
7	Total Legal Services	1,098	0	0	0	0	0	0	0	0	62	406	510	120
8	Engineering													
9	None	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Total Engineering Services	0	0	0	0	0	0	0	0	0	0	0	0	0
11														
12	Total Engineering Services	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Accounting													
14	F&A System	1,221	0	0	0	0	0	0	0	0	0	0	659	562
15	Total Accounting Services	1,221	0	0	0	0	0	0	0	0	0	0	659	562
16														
17	Other													
18	Bankrupt - Bankruptcy	141	0	0	0	0	0	0	0	0	0	0	0	141
19	Benefits - Employee Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
20	CIN-10 - Continuous Improvement Now	793	0	0	0	0	0	0	0	0	0	0	0	793
21	Contract - Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Corporat - Corporate	804	0	0	0	0	0	0	0	0	17	576	110	101
23	Courier - Courier Services	371	146	26	60	19	20	95	5	0	0	0	0	0
24	Cuschoice - Customer Choice	26	0	21	5	0	0	0	0	0	0	0	0	0
25	Dataprjs - Data Records/Transfer Agent	3,716	1,535	28	5	0	0	0	1	0	0	0	0	2,147
26	Divdrptg - Dividend Disbursement	1,767	454	0	0	0	275	0	0	0	0	0	0	1,038
27	Divdreinv - Dividend Reinvestment	1,112	225	0	217	0	0	0	557	0	0	0	0	113
28	External - External Reporting	2,833	271	285	240	287	230	297	194	234	93	702	444	5,318
29	FERC	6,484	0	0	0	0	0	0	0	0	0	722	0	0
30	Finance - Financings	1,130	0	0	0	0	0	0	0	0	0	669	0	461
31	Internal Audit	13,060	0	0	0	0	0	0	0	0	0	0	6,527	6,533
32	Noproj - Default Project	786,620	228,110	38,356	58,327	30,738	70,133	77,181	34,662	31,936	66,446	43,977	39,926	66,828
33	Phone System	0	0	0	0	0	0	0	0	0	0	0	0	0
34	Post911	3,533	394	258	394	320	320	328	326	295	295	295	296	12
35	Realest - Real Estate	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Regulate	0	0	0	0	0	0	0	0	0	0	0	0	0
37	Sarbanes - Sarbanes Oxley	9,336	0	54	38	13	0	0	6	0	0	0	2,343	6,882
38	SEC	108	0	0	0	0	0	0	0	0	0	95	13	0
39	Sharemtg - Shareholder Meeting	9,866	443	4,138	0	0	0	0	0	0	0	5,285	0	0
40	Stocktrn - Stock transfer	7,133	4,034	0	1,686	0	0	0	1,040	0	0	0	0	373
41	Tax - Taxes	358	0	0	0	0	0	0	0	0	0	0	0	0
42	Trademark - Trademarks	159	0	0	0	0	0	0	0	0	0	147	0	12
43	Transact - Transactions	57	0	0	0	0	0	0	0	0	0	38	0	19
44	Total Other Services	849,407	235,612	43,166	60,972	31,377	70,978	77,901	36,791	32,465	66,851	52,506	50,017	90,771
45														
46	Total	851,726	235,612	43,166	60,972	31,377	70,978	77,901	36,791	32,465	66,913	52,912	51,186	91,453

THE UNION LIGHT, HEAT AND POWER COMPANY
 GAS DEPARTMENT
 CASE NO. 2005-00042
 UNCOLLECTIBLE ACCOUNTS EXPENSE
 AVERAGE DISCOUNT RATE

WPH-a
 WITNESS RESPONSIBLE:
 W. D. WATHEN

<u>LINE NO.</u>	<u>MONTH</u>	<u>REQUIRED DISCOUNT</u>	<u>AVERAGE DISCOUNT</u>
1	February 2002	1.08%	
2	March	1.12%	
3	April	1.13%	
4	May	1.17%	
5	June	1.20%	
6	July	1.22%	
7	August	1.23%	
8	September	1.24%	
9	October	1.25%	
10	November	1.25%	
11	December	1.20%	
12	January 2003	1.19%	
13	February	1.21%	
14	March	1.16%	
15	April	1.14%	
16	May	1.13%	
17	June	1.13%	
18	July	1.10%	
19	August	1.12%	
20	September	1.16%	
21	October	1.21%	
22	November	1.24%	
23	December	1.26%	
24	January 2004	1.17%	
25	February	1.15%	
26	March	1.15%	
27	April	1.15%	
28	May	1.15%	
29	June	1.14%	
30	July	1.18%	
31	August	1.23%	
32	September	1.28%	
33	October	1.32%	
34			
35	Total		39.06%
36			
37	Number of Months		33
38			
39	Average Discount Rate		1.18%