



Cinergy/ULH&P  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

February 9, 2005

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Case 2005-00075

RECEIVED

FEB 10 2005

PUBLIC SERVICE  
COMMISSION

Dear Ms. O'Donnell:

Enclosed for filing are an original and four (4) conformed copies of The Union Light, Heat and Power Company's (Union Light) "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the March 2005 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on March 2, 2005 and the NYMEX on February 7, 2005 for the month of March 2005.

The above described schedules and GCA are effective with the final meter readings of District 1, March 2005, revenue month (i.e., final meter readings on and after March 2, 2005).

Union Light's proposed GCA is \$7.410 per Mcf. This rate represents an increase of \$0.008 per Mcf from the rate currently in effect for February 2005.

Please stamp "FILED" on the additional enclosed copy and return for our file. Thank you.

Very truly yours,

Robert P. Butts, Jr.

RPB:ga

Enclosure

**THE UNION LIGHT, HEAT AND POWER COMPANY  
GAS COST ADJUSTMENT CLAUSE**

**QUARTERLY REPORT**

**GAS COST RECOVERY RATES EFFECTIVE FROM MARCH 2, 2005 THROUGH MARCH 31, 2005**

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	7.305
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.001)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.141
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.035)</u>
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>7.410</u>

**EXPECTED GAS COST CALCULATION**

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	7.305

**SUPPLIER REFUND ADJUSTMENT CALCULATION**

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	0.000
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	<u>0.000</u>
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.001)</u>

**ACTUAL ADJUSTMENT CALCULATION**

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.362
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.320)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.144</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.141</u>

**BALANCE ADJUSTMENT CALCULATION**

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.004)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.013)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.023
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	<u>(0.041)</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.035)</u>

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: February 10, 2005

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY  
EXPECTED GAS COST RATE CALCULATION (EGC)**

**"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2005**

	\$
<b><u>DEMAND (FIXED) COSTS:</u></b>	
Columbia Gas Transmission Corp.	2,600,533
Tennessee Gas Pipeline	1,355,512
Columbia Gulf Transmission Corp.	925,578
K O Transmission Company	334,075
Gas Marketers	171,281
TOTAL DEMAND COST:	5,386,979
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	11,423,786 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,386,979 / 11,423,786 MCF
	<b>\$0.472 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>	
Gas Marketers	\$6.107 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.716 /MCF
Propane	\$0.010 /MCF
COMMODITY COMPONENT OF EGC RATE:	<b>\$6.833 /MCF</b>
TOTAL EXPECTED GAS COST:	<b>\$7.305 /MCF</b>

**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : \_\_\_\_\_ MARCH 1, 2005 \_\_\_\_\_

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
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INTERSTATE PIPELINE : **COLUMBIA GAS TRANSMISSION CORP.**  
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2005  
SST: 2/1/2005

BILLING DEMAND - TARIFF RATE - FSS

Max. Daily Withdrawl Quan.	1.5010	39,656	12	714,284
Seasonal Contract Quantity	0.0288	1,365,276	12	471,839

BILLING DEMAND - TARIFF RATE - SST

Maximum Daily Quantity	3.9630	39,656	6	942,940
Maximum Daily Quantity	3.9630	19,828	6	471,470

CAPACITY RELEASE CREDIT

0

**TOTAL COLUMBIA GAS TRANSMISSION CORP. DEMAND CHARGES**

**2,600,533**

INTERSTATE PIPELINE : **TENNESSEE GAS PIPELINE**  
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE

BILLING DEMAND - TARIFF RATE - FT

Max. Daily Quantity Zone 1-2	4.1000	47,500	6	1,168,500
Max. Daily Quantity Zone 1-2	3.9371	47,500	1	187,012

CAPACITY RELEASE CREDIT

0

**TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES**

**1,355,512**

Currently Effective Rates  
 Applicable to Rate Schedule FSS, ISS, and SIT  
 Rate Per Dth

	Base Tariff Rate	Transportation Cost		Electric Power Costs Adjustment	Annual Charge Adjustment <sup>2/</sup>	Total Effective Rate	Daily Rate
		Rate Current	Surcharge				
Rate Schedule <u>FSS</u>							
Reservation Charge	\$ 1.501	-	-	-	-	1.501	0.049
Capacity	¢ 2.88	-	-	-	-	2.88	2.88
Injection	¢ 1.53	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	1.53	1.53
Overrun	¢ 10.87	-	-	-	-	10.87	10.87
Rate Schedule ISS							
Commodity							
Maximum	¢ 5.92	-	-	-	-	5.92	5.92
Minimum	¢ 0.00	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	1.53	1.53
Rate Schedule SIT							
Commodity							
Maximum	¢ 4.11	-	-	-	-	4.11	4.11
Minimum	¢ 1.53	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Currently Effective Rates  
 Applicable to Rate Schedule SST and GTS  
 Rate Per Dth

Rate Schedule	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Rate Adjustment Current	Surcharge	Current	Surcharge			
Rate Schedule SST	\$ 5.405	0.336	0.011	0.022	-0.004	-	5.770	0.190
Reservation Charge 3/								
Commodity								
Maximum	¢ 1.02	0.37	0.05	0.22	0.02	0.19	1.87	1.87
Minimum	¢ 1.02	0.37	0.05	0.22	0.02	0.19	1.87	1.87
Overrun	¢ 18.79	1.47	0.09	0.29	0.01	0.19	20.84	20.84
Rate Schedule GTS								
Commodity								
Maximum	¢ 74.24	2.58	0.12	0.36	-0.01	0.19	77.48	77.48
Minimum	¢ 3.08	0.37	0.12	0.22	-0.01	0.19	3.97	3.97
MFCC	¢ 71.16	2.21	0.00	0.14	0.00	-	73.51	73.51

DISCOUNTED TO 3.963

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.  
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.  
 3/ Minimum reservation charge is \$0.00.

July 22, 2004

Union Light, Heat & Power Company  
139 East Fourth Street, EM025  
P.O. Box 960  
Cincinnati, OH 45202

Attention: Mr. Jim Henning

RE: Firm Transportation Discount  
Tennessee FT-A Service Package No. 46876  
Open Season # 443

Dear Jim:

In response to the request of Union Light, Heat & Power Company ("ULH&P"), and pursuant to Section 5.1 of Tennessee Gas Pipeline Company's (Tennessee) FT-A Rate Schedule, Tennessee hereby agrees to adjust its then applicable FT-A Transportation rate for FT-A service provided under the above referenced contract as follows:

1. a) If ULH&P, its assignee(s) or its agent(s) (hereinafter collectively referred to as "ULH&P") violates the terms of this agreement or the terms of the above-referenced service package, Tennessee shall have the right, in its sole discretion, to immediately terminate this discount agreement and/or assess, from the date of the violation, the maximum Tennessee monthly reservation rate for the entire contract quantity and the maximum daily commodity rates on all transactions occurring under this agreement.
- b) For the period commencing November 1, 2004, and extending through April 30, 2005, for gas delivered by Tennessee on behalf of ULH&P to TCO North Means (Meter # 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone 1 100 leg or Zone L or 1 500 leg receipt point, will be the lesser of:
  - i) A monthly reservation rate of \$ 4.10 per Dth and a daily commodity rate of Tennessee's maximum daily commodity rate. These rates are inclusive of surcharges.

or

- ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

- c) For the period commencing May 1, 2005, and extending through September 30, 2005, for gas delivered by Tennessee on behalf of ULH&P to TCO North Means (Meter # 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone 1 100 leg or Zone L or 1 500 leg receipt point, will be the lesser of:
  - i) A monthly reservation rate of \$ 0.0000 per Dth and a daily commodity rate of Tennessee's maximum daily commodity rate. These rates are inclusive of surcharges.

or

- ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

d) For the period commencing October 1, 2005, and extending through April 30, 2006, for gas delivered by Tennessee on behalf of ULH&P to TCO North Means (Meter # 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone 1 100 leg or Zone L or 1 500 leg receipt point, will be the lesser of:

i) A monthly reservation rate of \$ 3.9371 per Dth and a daily commodity rate of Tennessee's maximum daily commodity rate. These rates are inclusive of surcharges.

or

ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

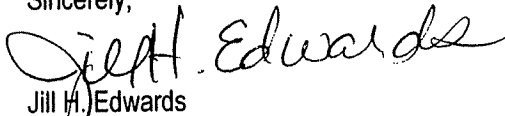
In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

e) Receipts and/or deliveries to points other than those listed above during the term of ULH&P's Service Package shall result in ULH&P being assessed Tennessee's maximum reservation rate for the primary path divided by the number of days in the month for the entire contract TQ on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges. In addition, deliveries exclusive of authorized overrun on any one day during the term of ULH&P's Service Package in excess of 47,500 Dth per day shall be subject to Tennessee's maximum daily commodity rate under Rate Schedule FT-A, as well as the applicable fuel and loss charges and surcharges, for those excess volumes.

2. If any terms of this agreement are disallowed by any order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee may immediately terminate this agreement. If any terms of this agreement are in any way modified by order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee and ULH&P may mutually agree to amend this agreement in order to ensure that the original commercial intent of the parties are preserved. In the event that the parties cannot achieve mutual agreement, Tennessee reserves the right to immediately terminate this agreement.

Please acknowledge your acceptance of this proposal by signing both originals and returning to the undersigned. Signed originals must be returned to undersigned on or before **fifteen (15)** working days from the date of the discount letter or discount is nullified and customer will be billed Tennessee's maximum FT-A reservation and commodity rates. One fully executed original will be returned for your records.

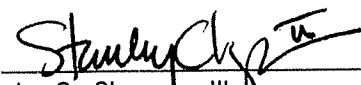
Sincerely,



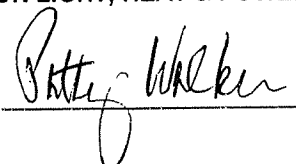
Jill H. Edwards  
Marketing Manager

TENNESSEE GAS PIPELINE COMPANY

UNION LIGHT, HEAT & POWER COMPANY

By:   
Stanley G. Chapman, III  
Agent and Attorney-in-Fact

Date: 9.14.04

By: 

Date: 9/10/04

*Approved as to form  
JH. 9/9/04*



**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : \_\_\_\_\_ MARCH 1, 2005 \_\_\_\_\_

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.</b>				
TARIFF RATE EFFECTIVE DATE : FTS-1: 1/1/2005				
FTS-2: 10/1/2004				
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
Maximum Daily Quantity	0.9995	15,000	5	74,963
Maximum Daily Quantity	0.9995	15,000	7	104,948
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>925,578</b>
<b>INTERSTATE PIPELINE : KO TRANSMISSION COMPANY</b>				
TARIFF RATE EFFECTIVE DATE : 11/15/2004				
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	78,201	12	334,075
CAPACITY RELEASE CREDIT				0
<b>TOTAL KO TRANSMISSION CO. DEMAND CHARGES</b>				<b>334,075</b>
<b>VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :</b>				
November - March	0.0072	10,003,929		71,831
December - February	0.1933	514,500		99,450
<b>TOTAL GAS MARKETERS FIXED CHARGES</b>				<b>171,281</b>

Currently Effective Rates  
 Applicable to Rate Schedule FTS-1  
 Rates per Dth

Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
3.1450	-	3.1450	3.1450	0.1034	-
0.0170	0.0019	0.0189	0.0189	0.0189	2.212
0.0170	0.0019	0.0189	0.0189	0.0189	2.212
0.1204	0.0019	0.1223	0.1223	0.1223	2.212

Rate Schedule FTS-1  
 Rayne, LA To Points North  
 Reservation Charge 2/  
 Commodity  
 Maximum  
 Minimum  
 Overrun

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Currently Effective Rates  
 Applicable to Rate Schedule FTS-2  
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
<b>Rate Schedule <u>FTS-2</u></b>						
Offshore Laterals						
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878	-
Commodity						
Maximum	0.0002	0.0019	0.0021	0.0021	0.0021	0.565
Minimum	0.0002	0.0019	0.0021	0.0021	0.0021	0.565
Overrun	0.0880	0.0019	0.0899	0.0899	0.0899	0.565
<b>Onshore Laterals</b>						
Reservation Charge 2/	1.0603	-	<u>1.0603</u>	1.0603	0.0349	-
Commodity						
Maximum	0.0017	0.0019	0.0036	0.0036	0.0036	0.763
Minimum	0.0017	0.0019	0.0036	0.0036	0.0036	0.763
Overrun	0.0366	0.0019	0.0385	0.0385	0.0385	0.763
<b>Offsystem-Onshore</b>						
Reservation Charge 2/	2.5255	-	2.5255	2.5255	0.0830	-
Commodity						
Maximum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Minimum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Overrun	0.0900	0.0019	0.0919	0.0919	0.0919	-

DISCOUNTED TO 0.9995

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

**CURRENTLY EFFECTIVE RATES  
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

**RATE LEVELS - RATE PER DTH**

	Base Tariff Rate	Annual Charge Adjustment 1/	Total Effective Rate
<b>RATE SCHEDULE FTS</b>			
Reservation Charge 2/			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate - Maximum 1	\$0.0117	--	\$0.0117
Daily Rate - Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0136
<b>RATE SCHEDULE ITS</b>			
Commodity			
Maximum	\$0.0117	\$0.0019	\$0.0136
Minimum	\$0.0000	\$0.0019	\$0.0019

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 1.00%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

2/8/2005

**THE UNION LIGHT, HEAT & POWER COMPANY  
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 3/1/2005**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 71,831 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 10,003,929 DTH (2)

**CALCULATED RATE:** \$ 0.0072 PER DTH

- (1) Reservation charges billed by firm suppliers for 2004 - 2005.
- (2) Contracted volumes for the 2004 - 2005 winter season.

2/8/2005

**THE UNION LIGHT, HEAT & POWER COMPANY  
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 3/1/2005**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 99,450 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 514,500 DTH (2)

**CALCULATED RATE:** \$ 0.1933 PER DTH

- (1) Reservation charges billed by needle peaking suppliers for 2004 - 2005.  
(2) Contracted volumes for the 2004 - 2005 winter season.

**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : \_\_\_\_\_ MARCH 1, 2005 \_\_\_\_\_

**GAS COMMODITY RATE FOR MARCH, 2005:**

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$6.5686	\$/Dth
ULH&P FUEL	2.200%	\$0.1445	\$6.7131	\$/Dth
DTH TO MCF CONVERSION	1.0279	\$0.1873	\$6.9004	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.8850		\$6.1069	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$6.107</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.8331	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.8484	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.565%	\$0.1500	\$5.9984	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0168	\$6.0152	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0136	\$6.0288	\$/Dth
ULH&P FUEL	2.200%	\$0.1326	\$6.1614	\$/Dth
DTH TO MCF CONVERSION	1.0279	\$0.1719	\$6.3333	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.1130		\$0.7157	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.716</b>	<b>\$/Mcf</b>

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.34268	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.7427	\$5.0854	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0020		\$0.0102	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.010</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 2/08/05 and contracted hedging prices.

**GAS COST ADJUSTMENT CLAUSE  
THE UNION LIGHT, HEAT AND POWER COMPANY  
SUPPLIER REFUND ADJUSTMENT  
DETAILS FOR THE THREE MONTH PERIOD ENDED**

NOVEMBER 30, 2004

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD SEPTEMBER 1, 2004 THROUGH NOVEMBER 30, 2004	\$	896.80
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0056
REFUNDS INCLUDING INTEREST ( \$896.80 x 1.0056 )	\$	901.82
DIVIDED BY TWELVE MONTH SALES ENDED FEBRUARY 29, 2006	MCF	11,431,095.0
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>0.000</u>

**DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED**

NOVEMBER 30, 2004

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED OCTOBER 15, 2004	\$	846.38
COLUMBIA GULF TRANSMISSION COMPANY - REFUND DATED OCTOBER 15, 2004	\$	50.42
 TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	 \$	 <u>896.80</u>

RAU



**GAS COST ADJUSTMENT CLAUSE  
THE UNION LIGHT, HEAT AND POWER COMPANY  
ACTUAL ADJUSTMENT**

DETAILS FOR THE THREE MONTH PERIOD ENDED

NOVEMBER 30, 2004

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	201,344	388,755	980,761
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	411	(740)	27,193
TOTAL SUPPLY VOLUMES	MCF	<u>201,755</u>	<u>388,015</u>	<u>1,007,954</u>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	1,444,036	2,834,613	7,986,316
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
CMT MANAGEMENT FEE	\$	(17,626)	(17,626)	(20,483)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,426,410</u>	<u>2,816,987</u>	<u>7,965,833</u>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	230,736.9	309,036.0	586,421.3
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY):	MCF	0	0	0
TOTAL SALES VOLUMES	MCF	<u>230,736.9</u>	<u>309,036.0</u>	<u>586,421.3</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.182	9.115	13.584
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>6.672</u>	<u>5.970</u>	<u>7.985</u>
DIFFERENCE	\$/MCF	(0.490)	3.145	5.599
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>230,736.9</u>	<u>309,036.0</u>	<u>586,421.3</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(113,061.08)</u>	<u>971,918.22</u>	<u>3,283,372.86</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>4,142,230.00</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>4,142,230.00</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>FEBRUARY 29, 2006</u>	MCF			11,431,095.0
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.362</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE  
THE UNION LIGHT, HEAT AND POWER COMPANY  
BALANCE ADJUSTMENT  
DETAILS FOR THE TWELVE MONTH PERIOD ENDED      NOVEMBER 30, 2004**

DESCRIPTION	UNIT	AMOUNT
-------------	------	--------

**RECONCILIATION OF A PREVIOUS GAS COST VARIANCE**

GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE	DECEMBER 1,	2003	\$	(514,194.34)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$		(0.045)	/MCF	
APPLIED TO TOTAL SALES OF		10,802,439	MCF	
(TWELVE MONTHS ENDED		NOVEMBER 30,	2004	)
			\$	<u>(486,109.81)</u>
BALANCE ADJUSTMENT FOR THE "AA"			\$	<u>(28,084.53)</u>

**RECONCILIATION OF A PREVIOUS SUPPLIER REFUND**

SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE	DECEMBER 1,	2003	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$		0.000	/MCF	
APPLIED TO TOTAL SALES OF		10,802,439	MCF	
(TWELVE MONTHS ENDED		NOVEMBER 30,	2004	)
			\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"				<u>0.00</u>

**RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT**

AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE	DECEMBER 1,	2003	\$	(250,071.35)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$		(0.022)	/MCF	
APPLIED TO TOTAL SALES OF		10,802,439	MCF	
(TWELVE MONTHS ENDED		NOVEMBER 30,	2004	)
			\$	<u>(237,653.70)</u>
BALANCE ADJUSTMENT FOR THE "BA"			\$	<u>(12,417.65)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT			\$	<u>(40,502.18)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED	FEBRUARY 29,	2006	MCF	<u>11,431,095</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT			\$/MCF	<u>(0.004)</u>

BAU

## Revised Tariff Schedules

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>SERVICE REGULATIONS</u></b>				
Service Agreements.....	20	05/24/92	02/26/92	
Supplying and Taking of Service.....	21	05/24/92	02/26/92	
Customer's Installation.....	22	05/24/92	02/26/92	
Company's Installation.....	23	05/24/92	02/26/92	
Metering.....	24	09/10/93	09/10/93	
Billing and Payment.....	25	02/02/01	02/02/01	
Deposits.....	26	09/10/93	09/10/93	
Application.....	27	05/24/92	02/26/92	
Gas Space Heating Regulations.....	28	05/24/92	02/26/92	
Availability of Gas Service.....	29	05/24/92	02/26/92	
<b><u>FIRM SERVICE TARIFF SCHEDULES</u></b>				
Rate RS, Residential Service.....	30	03/02/05	03/02/05	
Rate GS, General Service.....	31	03/02/05	03/02/05	(C)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
Reserved for Future Use.....	38			
Reserved for Future Use.....	39			
Reserved for Future Use.....	40			
Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
Reserved for Future Use.....	43			
Rate FRAS, Full Requirements Aggregation Service.....	44	03/01/02	01/31/02	
Reserved for Future Use.....	45			
Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
Reserved for Future Use.....	48			
Reserved for Future use.....	49			
<b><u>TRANSPORTATION TARIFF SCHEDULE</u></b>				
Rate IT, Interruptible Transportation Service.....	50	03/01/02	01/31/02	
Purchased Service.....	50	03/01/02	01/31/02	
Summer Minimum Service.....	50	03/01/02	01/31/02	
Unauthorized Delivery.....	50	03/01/02	01/31/02	
Rate FT-L, Firm Transportation Service.....	51	04/07/02	04/08/02	
FT Bills – No GCRT.....	51	04/07/02	04/08/02	
FT Bills – With GCRT.....	51	04/07/02	04/08/02	
FT - Interruptible Bills – No GCRT on FT over 1 Year.....	51	04/07/02	04/08/02	
FT - Interruptible Bills – GCRT on FT Under 1 Year.....	51	04/07/02	04/08/02	
Reserved for Future Use.....	52			

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>
<b><u>TRANSPORTATION TARIFF SCHEDULES (Contd.)</u></b>			
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	03/01/02	01/31/02
Reserved for Future Use.....	54		
Rate AS, Pooling Service for Interruptible Transportation.....	55	03/01/02	01/31/02
Reserved for Future Use.....	56		
Rate GTS, Gas Trading Service.....	57	03/01/02	01/31/02
Rate IMBS, Interruptible Monthly Balancing Service.....	58	03/01/02	01/31/02
Imbalance Trades.....	58	03/01/02	01/31/02
Cash Out – Sell to Pool.....	58	03/01/02	01/31/02
Cash Out – Buy from Pool.....	58	03/01/02	01/31/02
Pipeline Penalty.....	58	03/01/02	01/31/02
Rate DGS, Distributed Generation Service.....	59	03/01/02	01/31/02
<b><u>RIDERS</u></b>			
Rider X, Main Extension Policy.....	60	03/01/02	01/31/02
Rider DSM, Demand Side Management Cost Recovery Program	61	05/01/96	12/01/95
Rider DSMR, Demand Side Management Rate.....	62	01/02/03	01/01/03
Rider AMRP, Accelerated Main Replacement Program Rider.....	63	12/23/02	11/21/02
Reserved for Future Use.....	64		
Reserved for Future Use.....	65		
Reserved for Future Use.....	66		
Reserved for Future Use.....	67		
Reserved for Future Use.....	68		
Reserved for Future Use.....	69		
<b><u>GAS COST RECOVERY RIDERS</u></b>			
Gas Cost Adjustment Clause.....	70	07/16/01	07/16/01
Reserved for Future Use.....	71		
Reserved for Future Use.....	72		
Reserved for Future Use.....	73		
Reserved for Future Use.....	74		
Reserved for Future Use.....	75		
Reserved for Future Use.....	76		
Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	03/02/05	03/02/05
Reserved for Future Use.....	78		
Reserved for Future Use.....	79		
<b><u>MISCELLANEOUS</u></b>			
Bad Check Charge.....	80	08/31/93	08/31/93
Charge for Reconnection of Service.....	81	10/02/90	10/02/90
Local Franchise Fee.....	82	10/02/90	10/02/90
Curtailement Plan.....	83	10/02/90	10/02/90
Reserved for Future Use.....	84		
Reserved for Future Use.....	85		
Reserved for Future Use.....	86		
Reserved for Future Use.....	87		
Reserved for Future Use.....	88		
Reserved for Future Use.....	89		

(C)

Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No.

Issued:

Effective: March 2, 2005

Issued by Gregory C. Ficke, President

**RATE RS**

**RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$8.30  
Plus the applicable charge per month as set forth on Sheet No. 63,  
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	23.34¢	plus	74.10¢	Equals	97.44¢	<b>(D)</b>

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:  
Sheet No. 62, Rider DSMR, Demand Side Management Rate.

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated in Case No.

Issued:

Effective: March 2, 2005

Issued by Gregory C. Ficke, President

**RATE GS**

**GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:

All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$15.35  
Plus the applicable charge per month as set forth on Sheet No. 63,  
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	20.49¢	plus	74.10¢	Equals	94.59¢	<b>(I)</b>

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:  
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_

Issued:

Issued by Gregory C. Ficke, President

Effective: March 2, 2005

The Union Light, Heat and Power Company  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Gas No. 5  
Sheet No. 31.82  
Canceling and Superseding  
Sheet No. 31.81  
Page 2 of 2

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**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_

Issued:

Issued by Gregory C. Ficke, President

Effective: March 2, 2005



**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be 1.05 cents per 100 cubic feet. This rate shall be in effect during the month of March 2005 through May 2005 and shall be updated quarterly, concurrent

**(R)**

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_

Issued:

Effective: March 2, 2005

Issued by Gregory C. Ficke, President

THE UNION LIGHT, HEAT AND POWER COMPANY  
SUPPLEMENTAL INFORMATION  
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION  
OF THE GAS COST RECOVERY RATE  
IN EFFECT AS OF MARCH 2, 2005

1ST QUARTER INT

**THE UNION LIGHT, HEAT AND POWER COMPANY  
USED FOR GCA EFFECTIVE MARCH 1, 2005**

**COMPUTATION OF THE INTEREST FACTOR  
FOR THE GCA CALCULATION ON SCHEDULE II**

**TWELVE MONTHS ENDED DECEMBER 31, 2004  
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)**

INTEREST RATE	0.0103
PAYMENT	0.083799
ANNUAL TOTAL	1.0056
MONTHLY INTEREST	0.000858
AMOUNT	1

DECEMBER	2003	1.01	
JANUARY	2004	1.02	
FEBRUARY	2004	1.01	
MARCH	2004	0.98	
APRIL	2004	1.03	
MAY	2004	1.17	
JUNE	2004	1.44	
JULY	2004	1.54	
AUGUST	2004	1.66	
SEPTEMBER	2004	1.84	
OCTOBER	2004	2.05	
NOVEMBER	2004	2.28	17.03
DECEMBER	2004	2.34	18.36

PRIOR ANNUAL TOTAL	17.03
PLUS CURRENT MONTHLY RATE	2.34
LESS YEAR AGO RATE	1.01
NEW ANNUAL TOTAL	18.36
AVERAGE ANNUAL RATE	1.53
LESS 0.5% (ADMINISTRATIVE)	1.03

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

## ACTUAL ADJUSTMENT

## DETAILS FOR THE MONTH

SEPTEMBER, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH SEPTEMBER, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	201,344
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	411
TOTAL SUPPLY VOLUMES	MCF	<u>201,755</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,444,036
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>1,426,410</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	230,736.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>230,736.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.182
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.672</u>
DIFFERENCE	\$/MCF	(0.490)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>230,736.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(113,061.08)</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY**  
**DETERMINATION OF TOTAL SUPPLY COST**  
**MONTH OF SEPTEMBER, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,450,101.38	
adjustments	2,808.52	
IT monthly charges entered by Gas Supply	<u>(8,874.16)</u>	1,444,036
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		 <u><u>1,426,410</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	(113,061.08)
ACCOUNT 805-10	113,061.08

## THE UNION LIGHT, HEAT AND POWER COMPANY

SEPTEMBER, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	230,736.9	1,539,373.33	6.67155245
RA		(208.98)	
AA		32,561.96	
BA		<u>(2,279.46)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,569,446.85</u>	
TOTAL SALES VOLUME	230,736.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>230,736.9</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	230,736.9	1,426,410.00	6.18197609
UNRECOVERED PURCHASED GAS COST		145,623.04	
ROUNDING(ADD/(DEDUCT))		<u>(97.75)</u>	
TOTAL GAS COST IN REVENUE		<u>1,571,935.29</u>	
TOTAL GAS COST RECOVERY(GCR)		1,569,446.85	
LESS: RA		(208.98)	
BA		<u>(2,279.46)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>1,571,935.29</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		145,623.04	
LESS: AA		<u>32,561.96</u>	
MONTHLY COST DIFFERENCE		113,061.08	
EXTENDED MONTHLY COST DIFFERENCE		<u>112,963.33</u>	
ROUNDING		<u>(97.75)</u>	

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

## ACTUAL ADJUSTMENT

## DETAILS FOR THE MONTH

OCTOBER, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH OCTOBER, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	388,755
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(740)
TOTAL SUPPLY VOLUMES	MCF	<u>388,015</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	2,834,613
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>2,816,987</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	309,036.0
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>309,036.0</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.115
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.970</u>
DIFFERENCE	\$/MCF	3.145
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>309,036.0</u>
MONTHLY COST DIFFERENCE	\$	<u><u>971,918.22</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY  
DETERMINATION OF TOTAL SUPPLY COST  
MONTH OF OCTOBER, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	2,836,242.89	
adjustments	(5,141.26)	
IT monthly charges entered by Gas Supply	<u>3,511.08</u>	2,834,613
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		 <u><u>2,816,987</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	971,918.22
ACCOUNT 805-10	(971,918.22)



## THE UNION LIGHT, HEAT AND POWER COMPANY

OCTOBER, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	309,036.0	1,844,904.85	5.96987034
RA		(297.77)	
AA		40,257.89	
BA		<u>(2,829.72)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>1,882,035.25</u></u>	
TOTAL SALES VOLUME	309,036.0		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>309,036.0</u></u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	309,036.0	2,816,987.00	9.11540079
UNRECOVERED PURCHASED GAS COST		(931,660.33)	
ROUNDING(ADD/(DEDUCT))		<u>(163.93)</u>	
TOTAL GAS COST IN REVENUE		<u><u>1,885,162.74</u></u>	
TOTAL GAS COST RECOVERY(GCR)		1,882,035.25	
LESS: RA		(297.77)	
BA		<u>(2,829.72)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u><u>1,885,162.74</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(931,660.33)	
LESS: AA		<u>40,257.89</u>	
MONTHLY COST DIFFERENCE		(971,918.22)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(972,082.15)</u>	
ROUNDING		<u><u>(163.93)</u></u>	

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

NOVEMBER, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH NOVEMBER, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	980,761
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	27,193
TOTAL SUPPLY VOLUMES	MCF	<u>1,007,954</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	7,986,316
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(20,483)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>7,965,833</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	586,421.3
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>586,421.3</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	13.584
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>7.985</u>
DIFFERENCE	\$/MCF	5.599
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>586,421.3</u>
MONTHLY COST DIFFERENCE	\$	<u><u>3,283,372.86</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY**  
**DETERMINATION OF TOTAL SUPPLY COST**  
**MONTH OF NOVEMBER, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	7,816,032.66	
adjustments	167,772.77	
IT monthly charges entered by Gas Supply	2,510.20	7,986,316
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	20,483.00	(20,483)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	0.00	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
 TOTAL SUPPLY COSTS		7,965,833

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	3,283,372.86
ACCOUNT 805-10	(3,283,372.86)

## THE UNION LIGHT, HEAT AND POWER COMPANY

NOVEMBER, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	586,421.3	4,682,299.33	7.98453148
RA		(578.68)	
AA		74,775.64	
BA		<u>(5,322.58)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>4,751,173.71</u></u>	
TOTAL SALES VOLUME	586,421.3		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>586,421.3</u></u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	586,421.3	7,965,833.00	13.58380570
UNRECOVERED PURCHASED GAS COST		(3,208,597.22)	
ROUNDING(ADD/(DEDUCT))		<u>(160.81)</u>	
TOTAL GAS COST IN REVENUE		<u><u>4,757,074.97</u></u>	
TOTAL GAS COST RECOVERY(GCR)		4,751,173.71	
LESS: RA		(578.68)	
BA		<u>(5,322.58)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>0.0</u>	
		<u><u>4,757,074.97</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(3,208,597.22)	
LESS: AA		<u>74,775.64</u>	
MONTHLY COST DIFFERENCE		(3,283,372.86)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(3,283,533.67)</u>	
ROUNDING		<u><u>(160.81)</u></u>	