

**VIA HAND DELIVERY**

September 2, 2005

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615



Re: Joint Application of Duke Energy Corporation, Duke Energy Holding Corp.,  
Cougar Acquisition Corp., Cinergy Corp., The Cincinnati Gas & Electric  
Company, and The Union Light, Heat and Power Company for Approval of a  
Transfer and Acquisition of Control, Case No. 2005-00228

Dear Ms. O'Donnell:

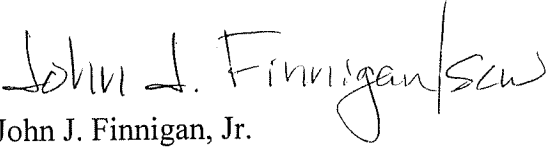
This is a follow-up letter to my letter dated August 31, 2005 regarding the Joint Applicants' responses to the Attorney General's first set of discovery requests. Today we are filing all remaining items requested by the Attorney General.

Accordingly, we are filing today the following information:

- One set of additional due diligence reports filed under seal, which respond to AG 1.19, and are subject to the petition for confidential treatment, which Joint Applicants filed on August 30, 2005;
- The original and eight copies of redacted versions of the additional due diligence reports referenced above in response to AG 1.19; and
- The original and eight copies of Joint Applicants' supplemental response to AG 1.31.

If you have any questions regarding either of these filings, please call me at (513) 287-3601. Thank you for your consideration in this matter.

Sincerely,

  
John J. Finnigan, Jr.  
Senior Counsel

JJF/sew

cc: All Parties of Record (with enclosures)

Attorney General of Kentucky  
Cinergy/Duke Merger  
Request for Information, Set No. 1  
PSC Case No. 2005-00228  
Request Received August 16, 2005

RECEIVED  
SEP 02 2005  
PUBLIC SERVICE  
COMMISSION

**SUPPLEMENTED 9/2/05**  
**(Supplemental information is in bold)**  
AG 1.19

**Request:**

Have the merging companies completed their respective due diligence reviews? If yes, please provide full and complete copies of any completed review and indicate whether the review identifies any facts or circumstances that would have a material adverse effect on either party. If no, please provide an estimate of when the reviews will be complete and provide them when available.

**Response:**

The Parties have completed their respective due diligence reviews. The due diligence reports are highly confidential and will be made available for review on-site subject to a confidentiality agreement at the law firm of Stoll, Keenon and Park, 300 West Vine Street, Suite 2100, Lexington, Kentucky.

**To supplement the redacted due diligence documents filed on August 31, 2005, see attachment AG 1.19-A for additional non-privileged, non-confidential due diligence information. In addition, see AG 1.31.**

**Witness: Gregory C. Ficke for Cinergy and Richard J. Osborne for Duke**

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AG 1.19-A

Copy



Cinergy

**Executive Committee  
May 10, 2005**

*Confidential & Proprietary*

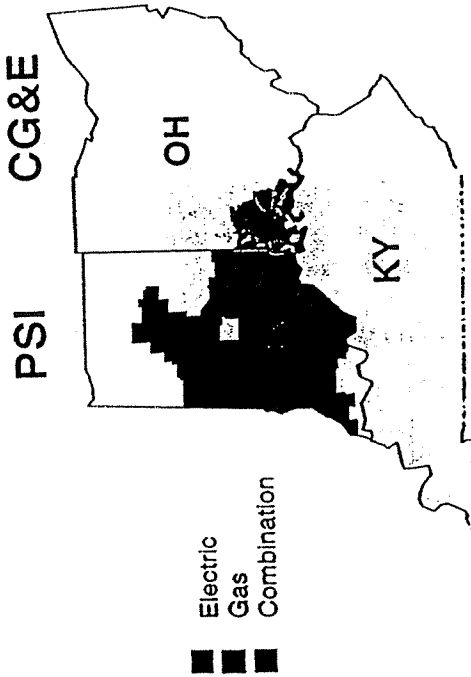
098205-004033

# Cinergy

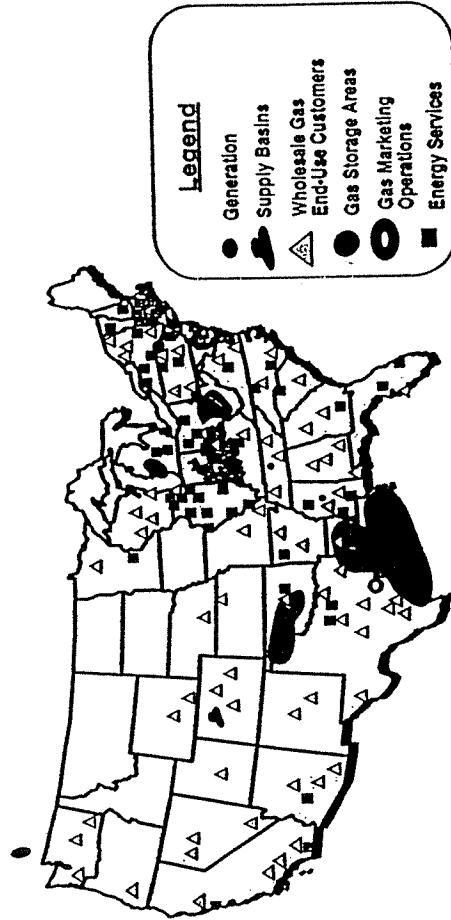
Cinergy is a registered holding company. Cinergy's regulated operating companies are The Cincinnati Gas & Electric Company (Cinergy/CG&E) (Ohio), Union Light, Heat & Power (Cinergy/ULH&P) (Kentucky) and PSI Energy, Inc. (Cinergy/PSI) (Indiana). Cinergy serves 1.5 million electric customers and about 500,000 gas customers. Cinergy/PSI owns 7,000 megawatts of generation. The interconnections of Cinergy's Midwestern transmission assets give it access to 40 percent of the total U.S. energy consumption. Cinergy's competitive commercial businesses have 6,300 megawatts of generating capacity with a profitable balance of stable existing customer portfolios, new customer origination, marketing and trading, and industrial-site cogeneration. Cinergy employs approximately 7,850 employees.

Market Capitalization	\$7.9 billion
Electric sales	652 million MWh
Electric utility	853 million MWh
Gas sales	\$1.02963 Bcf
Gas trading	5.16 Bcf
Generating capacity	12,364 MW
Energy services projects	3,853 MW

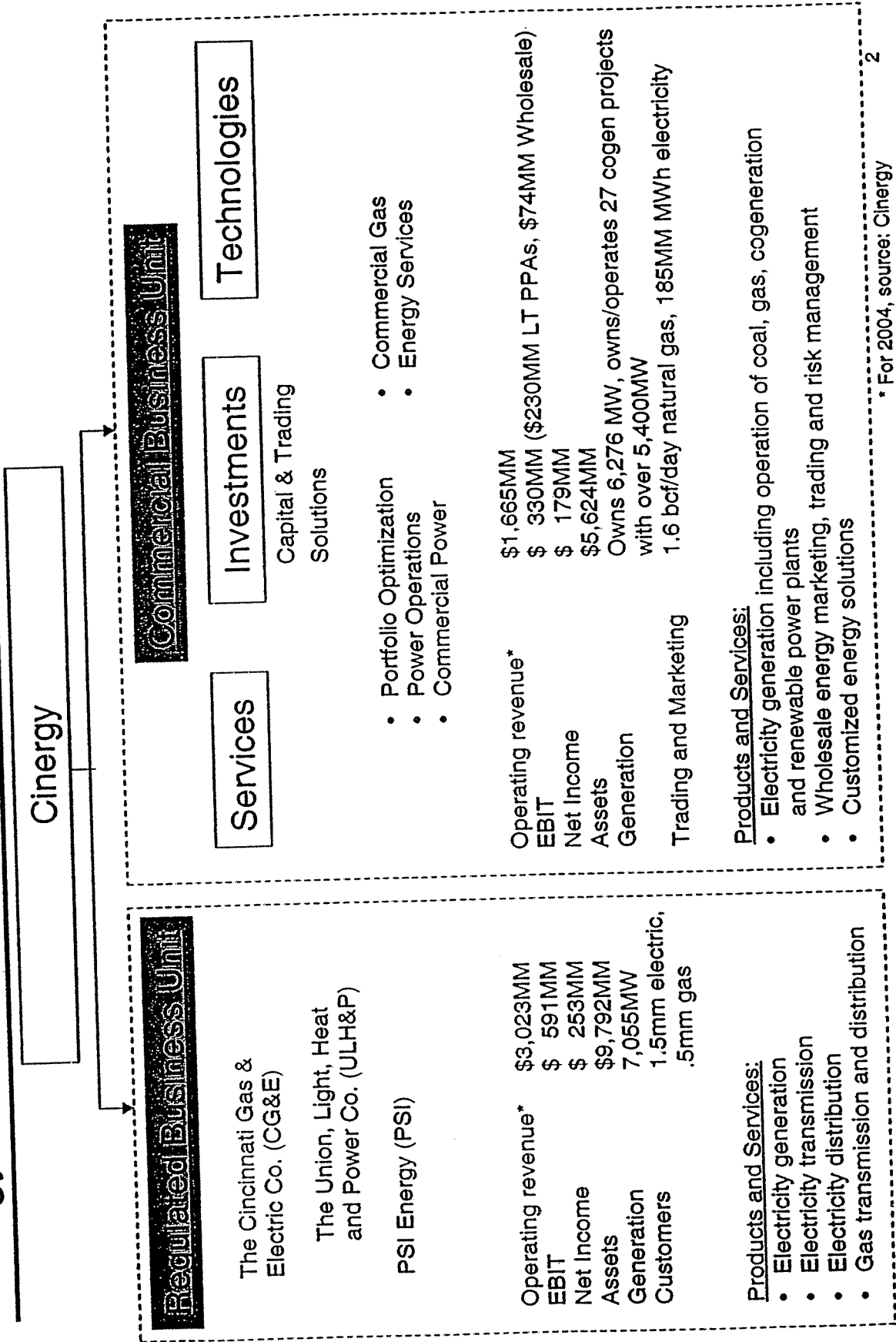
## Regulated



## Commercial

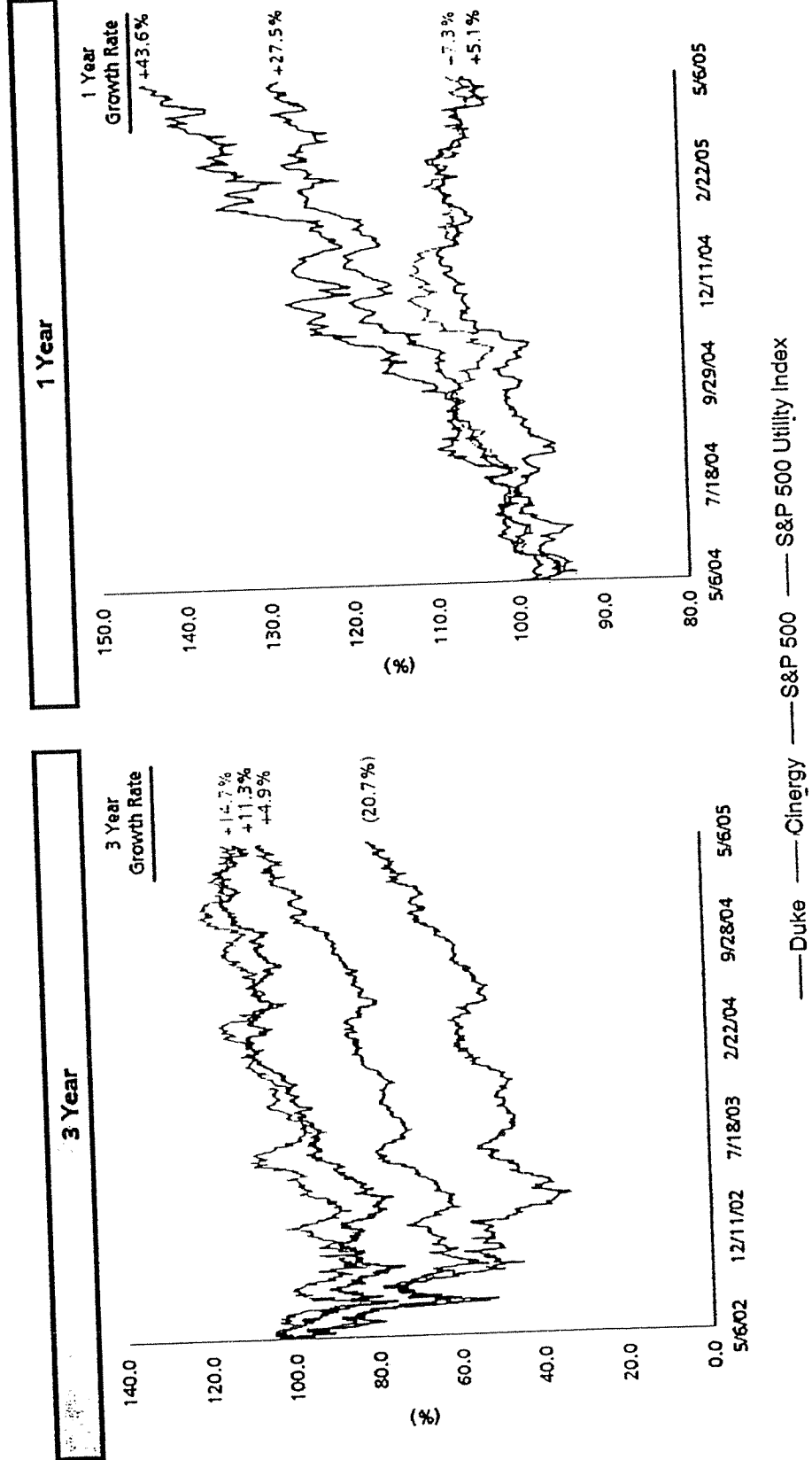


# Cinergy Structure



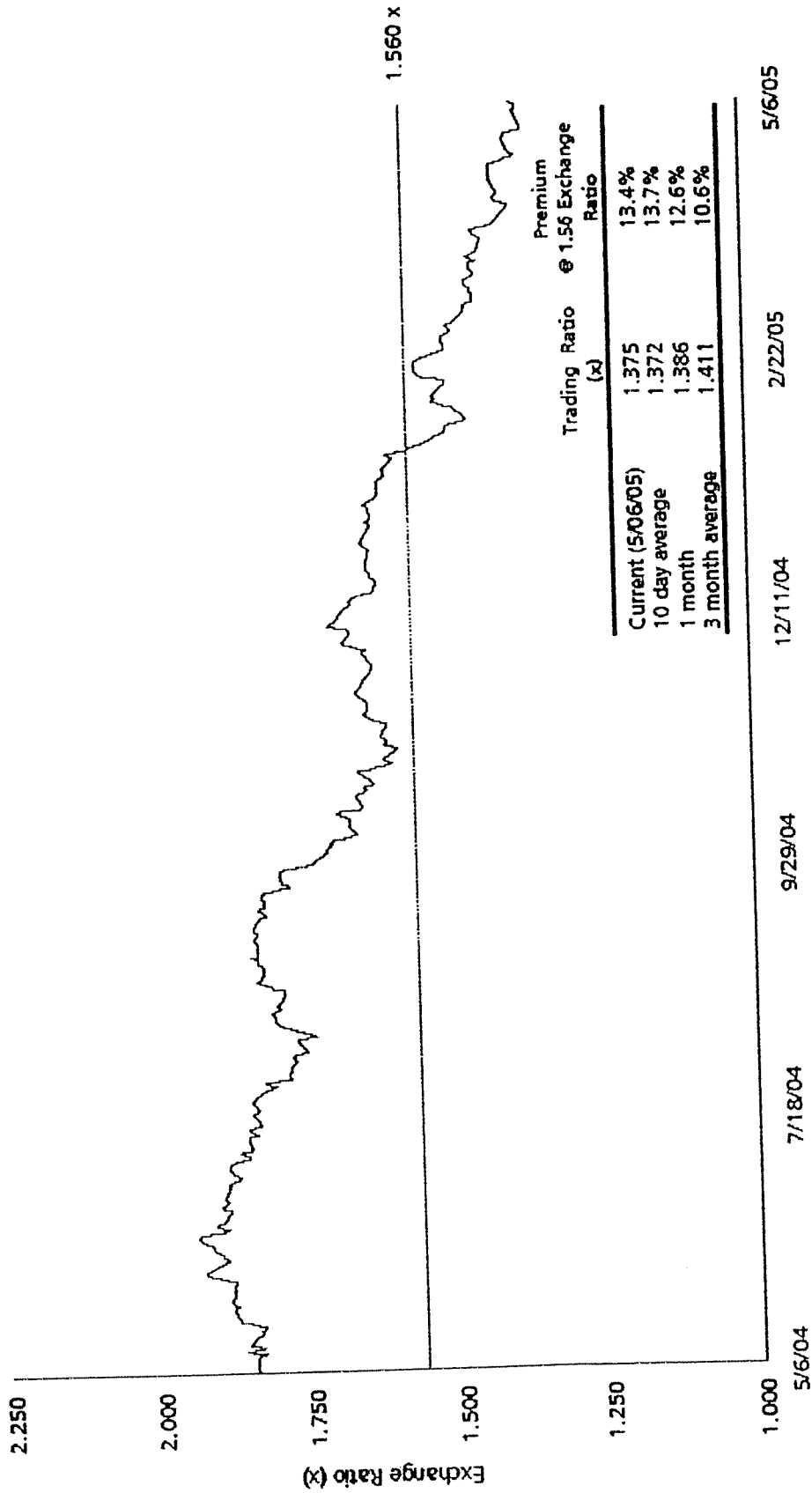
\* For 2004, source: Cinergy

# Indexed Stock Price Performance



Source: UBS

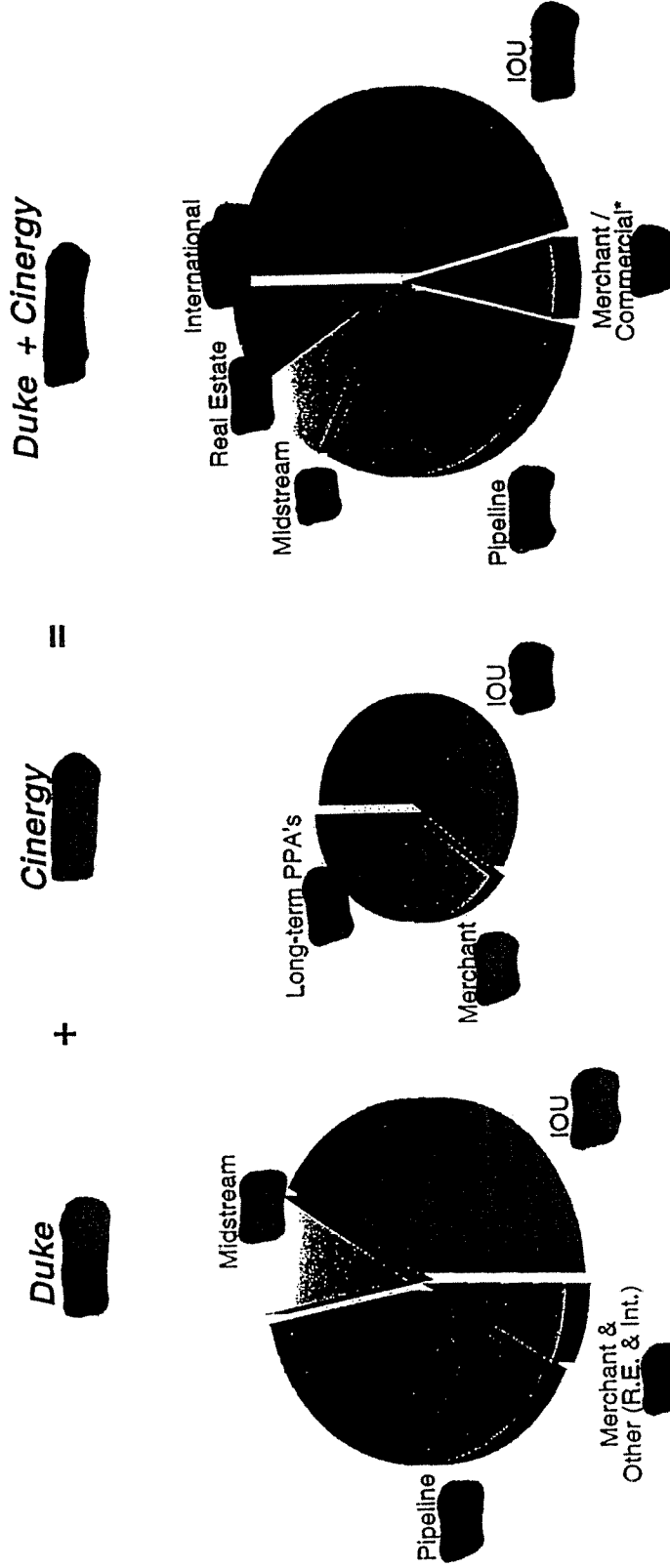
# Trading Ratio (Duke Shares per Cinergy Shares)



Source: UBS



# 2005 Segment EBIT (\$MM)



ROCE: [redacted]

ROCE: [redacted]

\* IOU includes natural gas distribution company. Merchant/Commercial includes POLR and LT PPAs

<sup>1</sup> Duke adjusted, Cinergy is unadjusted

# Opportunities and Concerns

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## Concerns

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## Opportunities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

# Capital Spending Plan

Cinergy recently revised its planned capital spending [REDACTED] Table below, developed based on public information, suggests additional spending to remain through the end of the decade. Does not include any new environmental compliance requirements nor new generation. [REDACTED]

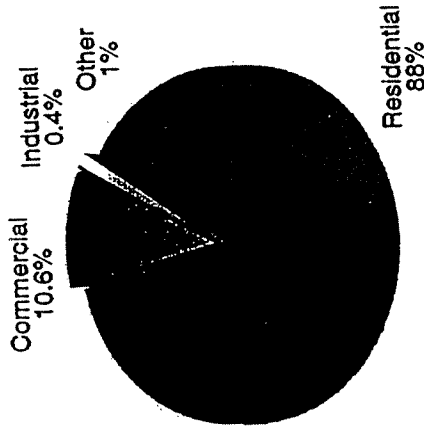
Planned Capital Spending <sup>1</sup> (millions)	2002 Actual	2003 Actual	2004 Actual	2005 <sup>1</sup>	2006	2007	2008	2009
Maintenance / Ongoing	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Environmental	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
New Generation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

<sup>1</sup> Source: Cinergy published capital spending plan, Morgan Stanley and SBD analysis of past and anticipated spending needs

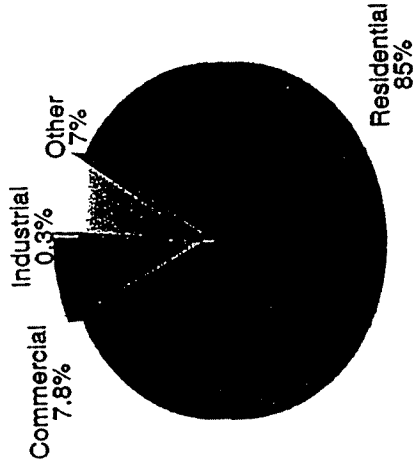
# 2004 Customer Mix

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**Electric**  
**1,548,679**



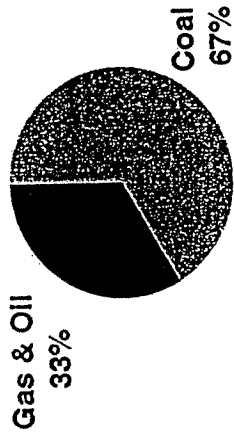
**Gas**  
**511,024**



# Cinergy Generation

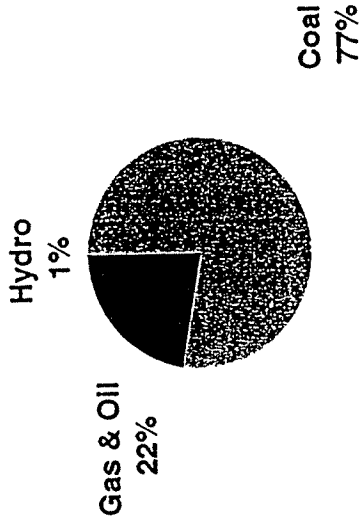
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Commercial Business Unit  
6,276MW Capacity



Net generated: 25,131 million KWh  
Fuel cost: [REDACTED] MMBtu

Regulated Business Unit  
7,055MW Capacity



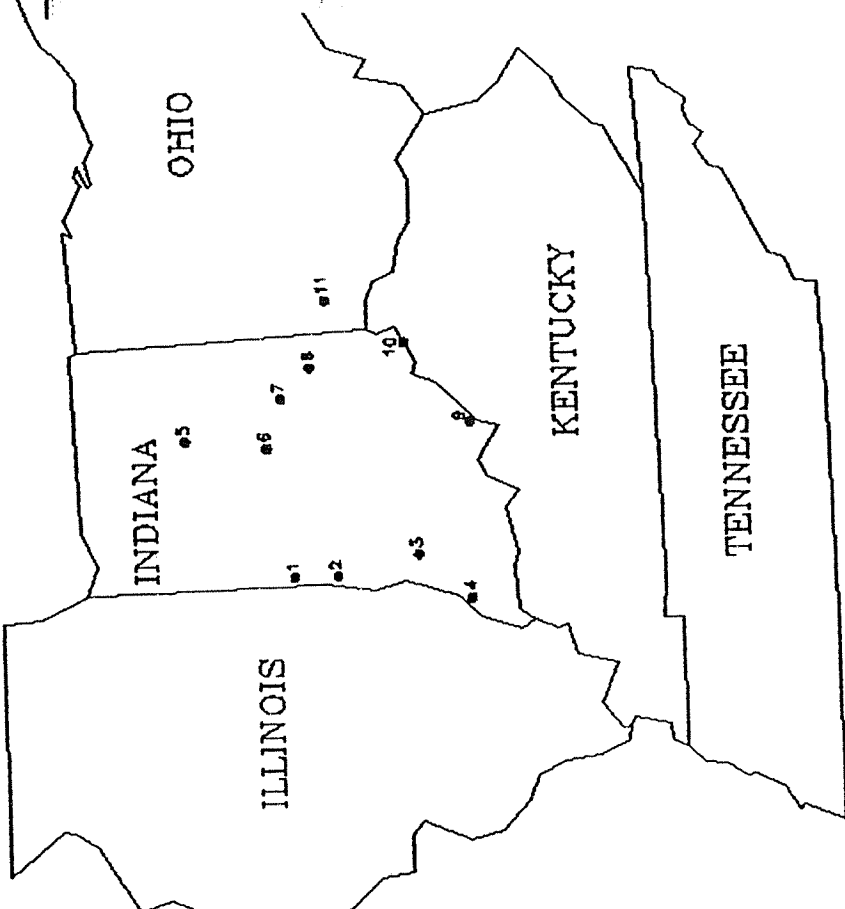
Net generated: 35,605 million KWh  
Fuel cost: [REDACTED] MMBtu

# Regulated Business Unit

**Domestic Power Generation**  
 Regulated's domestic power generating stations' total winter electric capacity, reflected in MW, as of December 31, 2004, are shown in the table that follows. The electric generating plants are located in Indiana and Ohio and are wholly-owned or jointly-owned facilities.

Regulated(1)	Stations	Coal MW	Gas MW	Oil MW	Hydro MW	Total MW	Number	Generation Plant	Fuel Type	MW Capacity
PSI	15	1,488	1,265	259	45	7,055	1	Cayuga	Coal/Gas/Oil	1,135
							2	Wabash River	Coal/Oil	966
							3	Edwardsport	Coal/Oil	160
							4	Gibson	Coal	2,844
							5	Miami Wabash	Oil	104
							6	Noblesville	Gas	310
							7	Henry County	Gas	129
							8	Connersville	Oil	98
							9	Gallagher	Coal	560
							10	Markland	Hydro	45
							11	Madison	Gas	704
								Total		7,055

(1) This table includes only Cinergy's portion of the total capacity for jointly-owned plants.



# Commercial's Power Generation

Commercial's domestic power generating stations' total winter electric capacity is 6,276 MW. Commercial's electric generating plants are primarily located in Ohio and Kentucky and are wholly-owned or jointly-owned facilities.

Commercial(1)	Stations	Coal		Gas		Oil		Total	
		MW	MW	MW	MW	MW	MW	MW	MW
The Cincinnati Gas & Electric Company (CG&E)	9	4,186	796	324	5,246				
Cinergy Investments, Inc. (Investments)(2)	2	—	1,030	—	1,030				
<b>Total</b>	<b>11</b>	<b>4,186</b>	<b>1,766</b>	<b>324</b>	<b>6,276</b>				

(1) This table includes only the Cinergy portion of the total capacity for the jointly-owned plants.

(2) Represents natural gas peaking plants located in Tennessee and Mississippi, owned by Investments, that sell electricity on the wholesale market.

Generation Plant	Fuel Type	Capacity	MW
Dick Creek	Gas	172	
Woodsdale	Gas	564	
Miami Fort	Coal/Oil	962	
East Bend	Coal	414	
Beckford	Coal/Oil	1,107	
Wm. Zimmer	Coal	604	
M. Stuart	Coal	913	
Killen	Coal	198	
Gonesville	Coal	316	
Brownsville	Gas	480	
Caledonia	Gas	50	
<b>Total</b>			<b>6,276</b>

## International

Has ownership interests in:

- Generation assets located in three countries capable of producing approximately 150 MW of electricity and 700 MW equivalents of steam.
- Approximately 1,200 miles of gas and electric transmission and distribution systems in two countries with 8,500 T&D customers.

Combined asset value of \$284MM with 2004 revenue of \$51MM.

## Cogeneration

Cinergy has ownership interests in and/or operates 27 domestic cogeneration facilities capable of producing 5,357 MW of electricity, 4,303 MW equivalents of steam and 236 MW equivalents of chilled water. During 2005, Cinergy anticipates completion of an expansion at one of the existing cogeneration facilities, which is expected to provide an additional 70 MW equivalents of steam and 42 MW equivalents of chilled water. Approximately \$1.1 billion invested or guaranteed as of Dec.31, 2004

## Synthetic Fuel

Cinergy Capital & Trading, Inc. owns a coal-based synthetic fuel production facility. Cinergy has generated \$219MM in tax credits through sales of synthetic fuel through Dec.31, 2004, \$96MM in 2004.

# Utility Rates

Operating Company	Rate structure/Issues
<p><b>PSI Energy (PSI)</b> (Regulated, Integrated Electric Utility in Southern Indiana)</p>	<p>10.5% ROE, 7.3% overall return Approved \$1.3 billion in rate base additions Environmental projects- Requested 8% overall return on \$1.08 billion, Pending New generation projects (CPCN filed, Investigating IGCC) T&amp;D improvements Recovery of fuel costs, purchased power costs, emission allowance costs and MISO related costs 50 - 50 Sharing agreement for off-system sales</p>
<p><b>The Cincinnati Gas &amp; Electric Co. (CG&amp;E)</b>  (Partially deregulated electric utility in southwest Ohio)</p>	<p>Ohio Rate Stabilization Plan Forego opportunity to sell low-cost generation in wholesale power markets Recovery of fuel costs, purchased power costs, emission allowance costs and transmission costs Increase in prices to C&amp;I and residential customers Generation 5% rate reduction ends January 1, 2006 Regulatory transition charge for wires continues Electric distribution rate case 2005</p>
<p><b>Union Light, Heat and Power (ULH&amp;P)</b> (Regulated, Integrated gas and electric utility)</p>	<p>Gas distribution rate case in 2005 seeking 7% increase in rates Planned acquisition of CG&amp;E's 70% ownership interest in East Bend Generating Station, Woodsdale Generating Station and one unit of Fort Station Generating Station (conditionally approved by Kentucky PSC, awaiting FERC and SEC approval, transfer at book value) Fuel cost recovery</p>

CG&E rate case application filed February 17, 2005

Add \$242mm to rate base

Increase rates by \$78mm

ROE 11.0%

Expect order in 2005 to be effective January 2006

Environmental Capital Recovery

Indiana - Debt and equity return during construction, bills pending to allow possibility of accelerated depreciation and enhanced ROE (have requested 8% overall return)

Ohio - Recovery provided through annually adjusted component of POLR charge provision in RSP



## Slow Growing Service Territory

Cinergy operating company service territories have average growth rates. Electric demand growth expected to be 1.4% to 1.6% annually.<sup>1</sup> Potential for recruitment of new industry is favorable in Indiana and Kentucky but challenged in Ohio. Energy costs remain low in Kentucky and Indiana. Above average in Ohio.

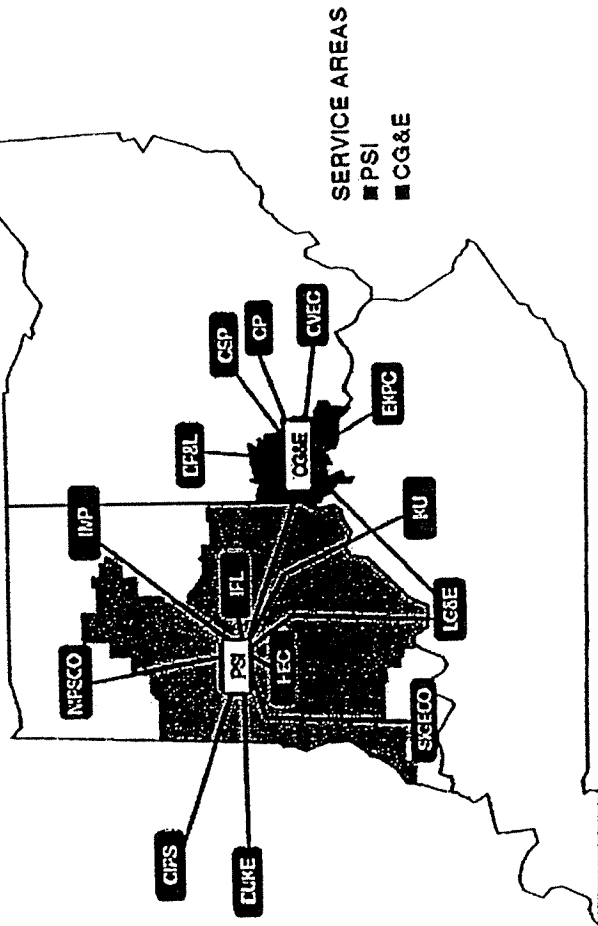
### Real Gross State Product<sup>2</sup>

(% year to year increase)

State	2005	2006	Notes
Indiana	2.6%	3.3%	Steady growth. Flat employment statistics.
Ohio	2.2%	2.8%	Continues to lag rest of US. Employment levels rising slowly
Kentucky	3.0%	3.1%	Expect continued growth. Lower unemployment (4.6%)
North Carolina	3.5%	3.3%	With these growth rates, Duke Power predicts 1.5% annual increases in demand
U.S.	3.8%	3.4%	Economy continues to slow. Debate continues on how fast it will slow

# Transmission System Interconnections

The following map illustrates the interconnections between our electric systems and other electric systems.



CIPS	Central Illinois Public Service Company, a subsidiary of Ameren Corporation
CSP	Columbus Southern Power Company, a subsidiary of American Electric Power Company, Inc. (AEP)
DP&L	Dayton Power and Light Company, a subsidiary of DPL, Inc.
DUKE	Duke Energy North America, L.L.C., a subsidiary of Duke Energy Corporation
EKPC	East Kentucky Power Cooperative, Inc.
HEC	Hoosier Energy Rural Electric Cooperative, Inc.
IMP	Indiana Michigan Power Company, a subsidiary of AEP
IPL	Indianapolis Power & Light Company, a subsidiary of The AES Corporation
KU	Kentucky Utilities Company, a subsidiary of LG&E Energy Corp.
LG&E	Louisville Gas and Electric Company, a subsidiary of LG&E Energy Corp.
NIPSCO	Northern Indiana Public Service Company, a subsidiary of NiSource, Inc.
OP	Ohio Power Company, a subsidiary of AEP
OVEC	Ohio Valley Electric Corporation
SIGECO	Southern Indiana Gas and Electric Company, a subsidiary of Vectren Corporation

# Transmission and Distribution

Utility operating companies' electric transmission and distribution systems are located in Ohio, Kentucky, and Indiana.

Registrant	Electric Transmission Systems		Electric Distribution Systems		Substation Combined Capacity (kilovolt-amperes)(1)
	(circuit miles)		(circuit miles)		
CG&E and subsidiaries	1,561	16,743			21,121,288
CG&E					
The Union Light, Heat and Power Company (ULH&P)	106	2,883			1,419,878
Other subsidiaries	40				
<b>Total CG&amp;E and subsidiaries</b>	<b>1,707</b>	<b>19,626</b>			<b>22,541,166</b>
PSI Energy, Inc. (PSI)	5,354	20,917			30,569,289
<b>Total</b>	<b>7,061</b>	<b>40,543</b>			<b>53,110,455</b>

(1) Kilovolt-amperes (1,000 volt-amperes) are a broad measure of our substation transformer capacity.

## Natural Gas Transmission and Distribution System

Cinergy and CG&E and its subsidiaries have approximately:

- 9,226 miles of gas mains and service lines located in southwestern Ohio and northern Kentucky (3,000 square-mile service territory)
- Three underground caverns with a total storage capacity of approximately 23 million gallons of liquid propane
  - 18.7 million gallons belongs to CG&E, including 7.5 million gallons belonging to **ULH&P**
  - As of December 31, 2004, Cinergy had 16.6 million gallons of liquid propane in storage
    - 14.4 million gallons belongs to **CG&E**, including 5.8 million gallons belonging to **ULH&P**
  - Liquid propane is used in the three propane/air peak shaving plants located in Ohio and Kentucky

# Employees

Cinergy has collective bargaining agreements with the International Brotherhood of Electrical Workers (IBEW), the United Steelworkers of America (USWA), the Utility Workers Union of America (UWUA), and various international union organizations.

The following table indicates the number of employees by classification at January 31, 2005:

Classification	CG&E(4)	PSI	ULH&P	Total Cinergy(5)
IBEW(1)	1,018	1,218	60	2,546
USWA(2)	280	—	79	398
UWUA(3)	387	—	58	768
Various Union Organizations	—	—	—	355
Non-Bargaining	198	354	19	3,775
	1,883	1,572	216	7,842

- (1) IBEW #1347 contract will expire on April 1, 2006, IBEW #1993 contract will expire on May 1, 2005, and IBEW #352 contract expired on February 5, 2005 and was replaced with a new contract set to expire on February 5, 2008.
- (2) USWA #12049 and #5541-06 contracts will expire on May 15, 2007.
- (3) Contract will expire on March 31, 2005.
- (4) CG&E and subsidiaries excluding ULH&P.
- (5) Includes 3,154 Services' employees who provide services to our operating utilities and other non-regulated companies.

# Officers

## Positions and Length of Service

Name	Age	Cinergy Corp.	CG&E	PSI
Mark E. Manly	52	Executive Vice President and Chief Legal Officer 10/02 - present Assistant Secretary 1/03 - present	Executive Vice President and Chief Legal Officer 11/02 - present	Executive Vice President and Chief Legal Officer 11/02 - present Assistant Secretary 1/03 - present
Theodore R. Murphy II	47	Senior Vice President and Chief Risk Officer 8/02 - present	Senior Vice President and Chief Risk Officer 8/02 - present	Senior Vice President and Chief Risk Officer 8/02 - present
Frederick T. Newton III	49	Executive Vice President and Chief Administrative Officer 5/02 - present	Executive Vice President and Chief Administrative Officer 5/02 - present	Executive Vice President and Chief Administrative Officer 5/02 - present
Kay E. Pashos	45			President 12/04 - present
Ronald R. Reising	44	Chief Procurement Officer 10/04 - present Vice President 6/02 - present	Chief Procurement Officer 10/04 - present Vice President 6/02 - present	Chief Procurement Officer 10/04 - present Vice President 6/02 - present
James E. Rogers	57	Chairman of the Board 12/00 - present President and Chief Executive Officer 12/95 - present	Chairman of the Board 12/00 - present Chief Executive Officer 12/95 - present	Chairman of the Board 12/00 - present Chief Executive Officer 12/95 - present
James L. Turner	45	Executive Vice President 10/01 - present Chief Financial Officer 9/04 - present	Executive Vice President 7/00 - present Chief Financial Officer 9/04 - present	Executive Vice President 7/00 - present Chief Financial Officer 9/04 - present

# Officers (Continued)

Positions and Length of Service			
Name	Age	Cinergy Corp.	PSI
Michael J. Cyrus	49	Executive Vice President 2/01 - present Chief Executive Officer, Regulated Business Unit 9/04 - present	Executive Vice President 2/01 - present
R. Foster Duncan	50	Executive Vice President 2/01 - present Chief Executive Officer, Commercial Business Unit 9/04 - present	Executive Vice President 2/01 - present
Gregory C. Eicke	52	President 10/01 - present	
Lynn J. Good	45	Vice President, Finance and Controller 11/03 - present	Vice President, Finance and Controller 11/03 - present
William J. Grealis	59	Executive Vice President 7/00 - present	Executive Vice President 7/00 - present
Julia S. Janson	40	Chief Compliance Officer 10/04 - present Secretary 7/00 - present Senior Counsel 7/98 - present	Chief Compliance Officer 10/04 - present Secretary 7/00 - present Senior Counsel 7/98 - present

## Board of Directors and Board Committees

	Executive Committee	Audit Committee	Compensation Committee	Corporate Governance Committee	Public Policy Committee
James E. Rogers (57) Chairman, President and Chief Executive Officer of Clenergy Corp.	Chair				
Michael G. Browning (58) Chairman and President of Browning Investments, Inc.	X		Chair	X	
Phillip R. Cox (57) President and Chief Executive Officer of Cox Financial Corp.				X	Chair
George C. Julifs (65) Chairman and Chief executive Officer of SENCORP			X		X
Thomas E. Petry (65) Past Chairman of the Board and Chief executive Officer of Eagle-Picher Industries Inc.	X		X		
Mary L. Schapiron (49) Vice Chairman of NASD		Chair			X
John J. Schiff Jr. (Chairman, President and Chief Executive Officer of Cincinnati Financial Corp. and The Cincinnati Insurance Company		X	X		
Phillip R. Sharp (62) Director of the Institute of Politics at Harvard University		X			X
Dudley S. Taft (64) President of Taft Broadcasting Co.	X	X		Chair	



**CONFIDENTIAL**



Steven K Young

03/31/2005 03:20 PM

To: Ruth G Shaw/Planning/DukePower@DukePower

cc:

Subject: Benchmark Data

Attached is some quick benchmark data. 2004 is a good year in that we don't have significant items polluting the data (e.g. large storms, ROW accounting charges, severance, asbestosis, amortization, etc.). I will get this to Flaherty.



Benchmark Data 3-31-05.x

098205-004054

Panda Project

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Benchmark Data

Fossil Non-fuel O&M/kWh generated <sup>(1)</sup>

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Duke Power	[REDACTED]		
CG&E	[REDACTED]		
PSI	[REDACTED]		

Transmission and Distribution O&M/kWh sold (retail) <sup>(2)</sup>

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Duke Power	[REDACTED]		
CG&E	[REDACTED]		
PSI	[REDACTED]		

Customer Service/Sales Expenses/kWh sold (retail) <sup>(1)</sup>

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Duke Power	[REDACTED]		
CG&E	[REDACTED]		
PSI	[REDACTED]		

Administrative and General Expenses/kWh sold (retail) <sup>(1)(3)</sup>

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Duke Power	[REDACTED]		
CG&E	[REDACTED]		
PSI	[REDACTED]		

Administrative and General Expenses (excluding benefits)/kWh sold (retail) <sup>(1)(3)</sup>

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Duke Power	[REDACTED]		
CG&E	[REDACTED]		
PSI	[REDACTED]		

<sup>(1)</sup> FERC Form 1 Report, pg 321 - 323, pg 401

<sup>(2)</sup> FERC Form 1 Report, pg 321 - 323, pg 401. Costs exclude Transmission Expense Incurred By Others

<sup>(3)</sup> A&G costs prior to 2003 include accelerated write-off of asbestosis-related expense of \$230m/year for Duke Power.

<sup>(4)</sup> FERC Form 1 data for CG&E and PSI not available



Steven K Young  
04/11/2005 02:27 PM

To: Ruth G Shaw/Planning/DukePower@DukePower, Richard J  
Osborne/Planning/DukePower@DukePower, D Robert  
Sadler/Corp/DukeEnergy@DukePower, Ellen T  
Ruff/Planning/DukePower@DukePower, Paul R  
Newton/Corp/DukePower@DukePower, Stephen G De  
May/Corp/DukePower@DukePower  
cc: Steven K Young/Corp/DukePower@DukePower  
Subject: DD Functional Report-out Template - Revised Version

Please delete the draft you received earlier and replace it with the attached revised version.



DD Functional Report-out revised.p  
--- Forwarded by Steven K Young/Corp/DukePower on 04/11/2005 02:22 PM ---



Steven K Young  
04/11/2005 11:04 AM

To: Ruth G Shaw/Planning/DukePower, Richard J  
Osborne/Planning/DukePower, D Robert Sadler/Corp/DukeEnergy,  
Ellen T Ruff/Planning/DukePower, Paul R Newton/Corp/DukePower,  
Stephen G De May/Corp/DukePower  
cc: Steven K Young/Corp/DukePower@DukePower  
Subject: DD Functional Report-out Template

Attached is a draft of the utility due diligence template. Feel free to comment.



DD Functional Report-out.p

*Hopefully, these  
are the slides  
Suzanne was  
referring to.*

*BT*



# Functional Area

Scope	Key Findings/Issues	Impact (\$MM)
<ul style="list-style-type: none"> <li>■ <u>Current Retail Rates</u> CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> Lower than national averages Lower than national averages Lower than national averages</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> N/A N/A N/A</li> </ul>
<ul style="list-style-type: none"> <li>■ <u>Future Retail Rates</u> CG&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> [REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> [REDACTED] N/A [REDACTED]</li> </ul>
<ul style="list-style-type: none"> <li>PSI</li> <li>UHLP</li> </ul>	<ul style="list-style-type: none"> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>[REDACTED]</li> <li>N/A</li> <li>[REDACTED]</li> </ul>
<ul style="list-style-type: none"> <li>■ <u>Current ROEs</u> CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> 10% - 11% 10% - 11% 10% - 11%</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> N/A N/A N/A</li> </ul>
<ul style="list-style-type: none"> <li>■ <u>Future ROEs</u> CG&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> [REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> [REDACTED] N/A [REDACTED]</li> </ul>
<ul style="list-style-type: none"> <li>PSI</li> <li>UHLP</li> </ul>	<ul style="list-style-type: none"> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>[REDACTED]</li> <li>N/A</li> <li>[REDACTED]</li> </ul>

PROJECT PANDA - CONFIDENTIAL

CONFIDENTIAL



# Functional Area

Scope	Key Findings/Issues	Impact (\$MM)
<ul style="list-style-type: none"> <li>■ <u>Current &amp; Future Capital Structure</u> CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> [REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> N/A N/A N/A</li> </ul>
<ul style="list-style-type: none"> <li>■ <u>Growth Rates</u> CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> [REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> N/A N/A N/A</li> </ul>
<ul style="list-style-type: none"> <li>■ <u>Customer Mix</u> (kWh sales) CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> R - 33% / C - 33% / I - 33% R - 30% / C - 30% / I - 40% R - 38% / C - 37% / I - 25%</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> N/A N/A N/A</li> </ul>
<ul style="list-style-type: none"> <li>■ <u>Economic Outlook</u></li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Key Findings/Issues</u> Moderate; "Rust Belt" industrials depress overall growth</li> </ul>	<ul style="list-style-type: none"> <li>■ <u>Cash/Earnings Impact</u> N/A</li> </ul>



# Functional Area

Scope	Key Findings/Issues	Impact (\$MM)
<ul style="list-style-type: none"> <li>Regulatory Assets CG&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>Key Findings/Issues [Redacted]</li> </ul>	<ul style="list-style-type: none"> <li>Cash/Earnings Impact [Redacted]</li> </ul>
PSI	<ul style="list-style-type: none"> <li>[Redacted]</li> </ul>	
UHLP	N/A	N/A
<ul style="list-style-type: none"> <li>Regulatory Liabilities CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>Key Findings/Issues [Redacted]</li> </ul>	<ul style="list-style-type: none"> <li>Cash/Earnings Impact N/A N/A N/A</li> </ul>
<ul style="list-style-type: none"> <li>Asset Mix</li> </ul>	<ul style="list-style-type: none"> <li>Key Findings/Issues [Redacted]</li> </ul>	<ul style="list-style-type: none"> <li>Cash/Earnings Impact [Redacted]</li> </ul>
<ul style="list-style-type: none"> <li>Cash Flow CG&amp;E PSI UHLP</li> </ul>	<ul style="list-style-type: none"> <li>Key Findings/Issues [Redacted]</li> </ul>	<ul style="list-style-type: none"> <li>Cash/Earnings Impact N/A N/A N/A</li> </ul>



# Functional Area

Scope	Key Findings/Issues	Impact (\$MM)
<ul style="list-style-type: none"> <li>Competition CG&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>Key Findings/Issues [REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>Cash/Earnings Impact [REDACTED]</li> </ul>
PSI	N/A	N/A
UHLP	N/A	N/A

DUPLICATE

Attorney General of Kentucky  
Cinergy/Duke Merger  
Request for Information, Set No. 1  
PSC Case No. 2005-00228  
Request Received August 16, 2005

RECEIVED

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PUBLIC SERVICE  
OF KENTUCKY

**SUPPLEMENTED 9/2/05**  
**AG 1.31**

**Request:**

Please provide a complete electronic copy of the Hart-Scott-Rodino filing concerning the merger transaction.

**Response:**

The Hart-Scott-Rodino filings are confidential and will be made available for review on-site subject to a confidentiality agreement at the law firm of Stoll, Keenon and Park, 300 West Vine Street, Suite 2100, Lexington, Kentucky.

**Witness: Gregory C. Ficke and Richard J. Osborne**