

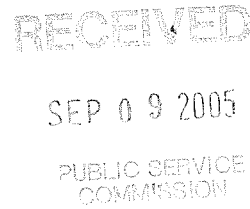


Cinergy/ULH&P  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

September 9, 2005

Case 2005-00363

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



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 October 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 September 29, 2005 and the NYMEX on September 7, 2005 for the month of October 2005.

The above described schedules and GCA are effective with the final meter readings of District 1, October 2005, revenue month (i.e., final meter readings on and after September 29, 2005).

Union Light's proposed GCA is \$11.597 per Mcf. This rate represents an increase of \$2.252 per Mcf from the rate currently in effect for September 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

COMPANY NAME: **THE UNION LIGHT, HEAT & POWER COMPANY**  
**GAS COST ADJUSTMENT CLAUSE RATE CALCULATIONS**  
**SUPPLEMENTAL MONTHLY REPORT**

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	11.591
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.006)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.033)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.045
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>11.597</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: SEPTEMBER 29, 2005 THROUGH OCTOBER 27, 2005

**EXPECTED GAS COST CALCULATION**

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	11.591

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.004)
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.002)
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.006)

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.420)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.070
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.362
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.033)

**BALANCE ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.010
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.052
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.004)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.013)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.045

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386  
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: September 9, 2005

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

**PURCHASED GAS ADJUSTMENT**

**COMPANY NAME: THE UNION LIGHT, HEAT & POWER COMPANY**

**SUPPLEMENTAL MONTHLY REPORT**

**EXPECTED GAS COST RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF  
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

SEPTEMBER 29, 2005  
AUGUST 31, 2006

\$

**DEMAND (FIXED) COSTS:**

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
<b>TOTAL DEMAND COST:</b>	<u>5,386,979</u>

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES: 11,073,521 MCF

**DEMAND (FIXED) COMPONENT OF EGC RATE** \$5,386,979 / 11,073,521 MCF **\$0.486 /MCF**

**COMMODITY COSTS:**

Gas Marketers	\$11.105 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.000 /MCF
Propane	\$0.000 /MCF
<b>COMMODITY COMPONENT OF EGC RATE:</b>	<u><b>\$11.105 /MCF</b></u>

**TOTAL EXPECTED GAS COST:** **\$11.591 /MCF**

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

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : SEPTEMBER 29, 2005**

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

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$10.6121	\$/Dth
ULH&P FUEL	1.800%	\$0.1910	\$10.8031	\$/Dth
DTH TO MCF CONVERSION	1.0279	\$0.3014	\$11.1045	\$/Mcf
ESTIMATED WEIGHTING FACT	1.0000		\$11.1045	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$11.105</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$6.8006	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.8159	\$/Dth
COLUMBIA GAS TRANS. SST F <sup>1</sup>	2.007%	\$0.1368	\$6.9527	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0139	\$6.9666	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0136	\$6.9802	\$/Dth
ULH&P FUEL	1.800%	\$0.1256	\$7.1058	\$/Dth
DTH TO MCF CONVERSION	1.0279	\$0.1983	\$7.3041	\$/Mcf
ESTIMATED WEIGHTING FACT	0.0000		\$0.0000	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.000</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 FACT	0.0000		\$0.0000	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 9/07/2005 and contracted hedging price