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**John J. Finnigan, Jr.**  
Senior Counsel

**VIA HAND-DELIVERY**

June 22, 2005

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

RECEIVED

JUN 22 2005

PUBLIC SERVICE  
COMMISSION

Re: In the Matter of an Adjustment of Gas Rates of The Union Light, Heat and Power Company  
Case No. 2005-00042

Dear Ms. O'Donnell:

I have enclosed an original and twelve copies of The Union Light, Heat and Power Company's Supplemental Requests for Information to the Attorney General in the above-referenced case.

Please date stamp and return the two extra copies in the enclosed, self-addressed envelope.

If you have any questions, please do not hesitate to contact me at (513) 287-3601.

Sincerely,

John J. Finnigan, Jr.  
Senior Counsel

JJF/sew

cc: Hon. Elizabeth Blackford (w/encl.)

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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JUN 22 2005

PUBLIC SERVICE  
COMMISSION

In the Matter of:

An Adjustment of Gas Rates )  
of The Union Light, Heat and ) Case No. 2005-00042  
Power Company )

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**THE UNION LIGHT, HEAT AND POWER COMPANY'S  
SUPPLEMENTAL REQUESTS FOR INFORMATION  
TO ATTORNEY GENERAL**

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The Union Light, Heat and Power Company ("ULH&P" or "Company") requests that the Attorney General ("AG") respond fully, in writing, and under oath to the following set of interrogatories and requests for production of documents (collectively, the "Information Requests").

**DEFINITIONS AND INSTRUCTIONS**

These Information Requests are continuing in nature. Therefore, with respect to any of the following interrogatories or requests for production of documents as to which AG or its counsel acquires additional knowledge or information, ULH&P asks that AG immediately serve on the undersigned further answers fully setting forth any such additional knowledge or information.

When an interrogatory or request for production of documents does not specifically request a particular fact or document, but such fact or document is necessary to make the response comprehensive, complete, or not misleading, such interrogatory or request for production of documents shall be deemed to specifically request that fact(s) or document(s).

The requests for production of documents include, without limitation, all documents that are in the possession, custody, or control of AG and/or AG's predecessors, successors, parents, subsidiaries, divisions, officers, directors, employees, agents or representatives, including any and all documents obtained by AG and/or AG's representatives, counsel, or agents from any source whatsoever.

For the purposes of these Information Requests, unless otherwise stated, the following terms shall have the meanings indicated:

*Person* is any human being, corporation, association, joint venture, government, governmental agency, public corporation, board, commission, regulatory authority, committee, partnership, group, firm, or any other organization or entity cognizable at law; *Rate Case Proceeding* means the above-captioned matter and any other matters filed by ULH&P in the above-referenced docket of the Public Service Commission of Kentucky.

*You, your, or yours* means AG, AG's predecessors in interest, successors, parents, divisions, and subsidiaries and any of AG's agents, representatives, employees, or counsel;

*Document* is intended to be comprehensive and includes, without limitation, the original and any non-identical copy, regardless of origin or location, of any data, correspondence, internal correspondence, statement, report, record book, record, account book, account, pamphlet, periodical, discovery, letter, memorandum, internal memorandum, telegram, telex, cable, study, stenographic or handwritten note, paper, working paper, facsimile, invoice, bill, voucher, check, statement, chart, graph, drawing, voice recording, tape, microfilm, microfiche, computer disk, floppy disk, tape data sheet, or data processing card or disk, electronic mail, or any other written, recorded,

transcribed, punched, taped, filmed or graphic matter, however stored, produced or reproduced, to which you have or have had access or which location is known to you;

The term *identify* when used with reference to a natural person, means to state: (a) that person's full name, (b) that person's present (or last known) position and business affiliation, (c) that person's present (or last known) residence address and telephone number, and (d) the nature of that person's past and present relationship with you;

The term *identify* when used with reference to an entity other than a natural person, means to state the full name, and present (or last known) address and telephone number of the entity;

The term *identify* when used with reference to a document, including any document relied upon in any answer to any interrogatory or request for production of documents, or that corroborates any such response, means to state: (a) the type of document, (b) its title or subject matter, (c) the date of the document, (d) the identity of the document's author, sender, and every recipient of the document or of a copy thereof, and (e) the present location and custodian of the document and every known copy thereof. When the document is a written agreement or contract, *identify* also means to state the date such written agreement or contract was entered into and its effective date, the name of each party thereto, the identity of each person who signed such agreement on behalf of each party thereto, the date of termination and the date of every amendment or modification thereto;

*Relating to* means constituting, defining, containing, mentioning, embodying, reflecting, regarding, referencing, identifying, stating, concerning, referring to, dealing with, generated wholly or partly in response to or because of, or in any way pertaining to.

If any information called for by an interrogatory or request for production of documents is withheld on the basis of a claim of privilege, the nature of the information with respect of which privilege is claimed shall be set forth in answers hereto, together with the type of privilege claimed and a statement of all circumstances upon which plaintiff will rely to support such a claim of privilege. Any documents that are allegedly privileged or otherwise unavailable shall be identified in writing by indicating the following:

- (1) the date of the document;
- (2) the author of the document;
- (3) the recipient(s) of the document;
- (4) the general subject matter of the document;
- (5) the identity of any and all persons to whom the contents of the document have already been revealed;
- (6) the identity of the person or entity now in possession or control of the document; and
- (7) the basis upon which the document is being withheld or the reason why it cannot be produced.

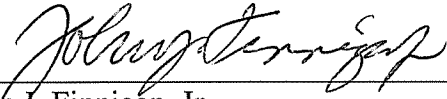
ULH&P expressly reserves the right to request more information to determine whether such documents are privileged or otherwise not subject to production.

## REQUESTS FOR INFORMATION

### **Requests for Information Directed to Mr. Kinloch**

91. Please provide in electronic format with formulas left intact, copies of Exhibits DHBK 4 through DHBK 21. Also include in electronic format all supporting work papers and documents used to make your calculations.
92. Please provide in the specific cite in the NARUC Gas Distribution Manual where it specifically identifies uncollectible expense as one expense that is likely to vary with amount of gas sold as opposed to one that will vary with the number of customers.
93. Please provide a specific reference in the NARUC Gas Distribution Manual where it indicates that the customer component of mains should never be considered in the customer charge calculation.
94. In the Direct testimony of D. Brown Kinloch, beginning on line 22 of page 14 and continuing on page 15 lines 1 & 2, he states that if 100% of the calculated subsidy was assigned to Rate RS, the residential customers would absorb 120% of the increase. Using the Company's methodology please provide the calculation to support that claim in electronic format.
95. Do you believe that a Commission should have a goal of moving all rate classes closer to the average rate of return in a rate case with a proposed rate increase? Please explain why or why not.
96. In the Direct Testimony of D. Brown Kinloch, page 15, lines 11-13, he states that he is proposing "to move the two classes with returns below the overall return one-third of the way from an allocation to the present revenues."
  - a. Please identify which two classes have returns below the overall return.
  - b. Please identify the overall return he is comparing to the class returns.
  - c. If Rate IT is one of the two classes please explain why it is included when the Present ROR is higher than the average ROR. See Exhibit DHBK-15, Page 1 of 1, Column (D), lines 4 and 5.
97. Exhibit DHBK-16 does not include the entire study that supports the Summary of Results pages. Please supply the entire study for Residential Service including the detailed rate base, administrative and general expense and depreciation pages.
98. In Mr. Kinloch's development of the Residential Service customer charge, Exhibit DHBK-17, Page 1 of 1, does he include the following in his calculation?
  - a. General and Intangible plant
  - b. Common and Other plant
  - c. Administrative and General expenses

THE UNION LIGHT, HEAT AND POWER  
COMPANY



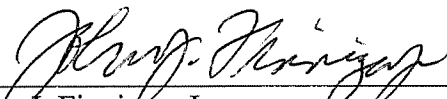
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Of Counsel:  
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Stoll, Keenon & Park, LLP  
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Lexington, Kentucky 40507  
Phone: (859) 231-3000

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing The Union Light, Heat and Power Company's Requests for Information to the Attorney General has been served by hand delivery, to the following parties on this 22<sup>nd</sup> day of June, 2005:

Hon. Elizabeth E. Blackford  
Office of Attorney General  
Utility Intervention and Rate Division  
1024 Capital Center Drive  
Frankfort, Kentucky 40601



John J. Finnigan, Jr.