

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT,)	
HEAT AND POWER COMPANY)	CASE NO. 2001-058
FOR CERTAIN FINDINGS UNDER)	
15 U.S.C. § 79Z)	

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE UNION LIGHT, HEAT AND POWER COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that The Union Light, Heat and Power Company ("ULH&P") file the original and 4 copies of the following information with the Commission within 7 days of this request, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Provide a schedule containing the power plants and associated assets that will be transferred from Cincinnati Gas & Electric Company ("CG&E") to the electric

wholesale generator (“EWG”). Include the net book value for each of the plants and associated assets.

2. Provide all studies prepared by or for CG&E or Cinergy Corp. (“Cinergy”) which determine the stranded cost or stranded benefit associated with the power plants and associated assets that would be transferred from the regulated utility to the EWG.

3. Provide a detailed explanation of the impact the transfer of the generation assets to an EWG will have on the cost of power to ULH&P.

4. Describe ULH&P’s pricing options for acquiring power from CG&E with the generating capacity under the ownership of CG&E versus ownership by an EWG.

5. Provide a comparison of the cost-based rates for wholesale power from CG&E based on the currently approved Federal Energy Regulatory Commission (“FERC”) wholesale tariff and the cost of power based on market conditions. Include market-rate comparisons based on base-, high-, and low-case assumptions.

6. Explain CG&E’s position with regard to any obligation it might have to supply base-load capacity on a cost-of-service basis to its affiliate, ULH&P, after the expiration of the current wholesale power contract between CG&E and ULH&P at the end of 2001.

7. Explain the process CG&E would undertake to secure a wholesale power supply for ULH&P to provide service after the expiration of the current wholesale power contract at the end of 2001.

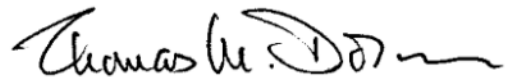
8. Provide detailed information regarding the criteria FERC considers in determining the reasonableness of market-based rate agreements between its regulated utilities and their affiliates.

9. Explain how the Ohio statutes on electric restructuring addressed the issue of stranded cost or benefits associated with generation assets. Provide applicable excerpts from the Ohio statutes.

10. Provide an explanation of how the generating assets currently owned by CG&E are allocated or assigned to the capacity requirements of ULH&P.

11. Explain how, under existing contracts, CG&E secures the power required to serve the ULH&P load to the extent that it cannot be met with CG&E's own existing generating capacity.

12. Provide all analyses prepared by or for Cinergy, CG&E, or ULH&P that show in quantifiable terms that the transfer of CG&E's electric generating assets to an EWG is in the best interests of the customers of ULH&P.



Thomas M. Dorman
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DATED: March 8, 2001

cc: Parties of Record