

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT AND)	
POWER COMPANY FOR DEVIATION FROM THE)	
REQUIREMENTS OF KRS 278.2207(1)(B),)	
278.2207(2) AND 278.2219 TO ALLOW IT TO)	CASE NO.
ENTER INTO A NATURAL GAS ASSET)	2003-00348
MANAGEMENT AGREEMENT WITH CINERGY)	
MARKETING & TRADING, LP, ITS AFFILIATE)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO THE UNION LIGHT, HEAT AND POWER COMPANY

The Union Light, Heat and Power Company (ULH&P), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 6, 2003. Each copy of the data 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 person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the Application, page 4.
 - a. Provide copies of the current Asset Management Agreement between ULH&P and Cinergy Marketing & Trading, LP (CM&T).

b. Explain in detail why a draft version of the new Asset Management Agreement between ULH&P and CM&T was not provided in the Application.

c. Provide a copy of the latest available draft of the new Asset Management Agreement. In addition, compare the current draft agreement with the existing CM&T Asset Management Agreement, identify all changes between the documents, and provide an explanation for each change.

d. If a draft of the new Asset Management Agreement is not available, explain in detail how the Commission can determine that the requested deviation should be granted.

2. Refer to Attachment A of the Application. As shown on this attachment, the only purchases where there was a Difference in the Index Comparison were the purchases identified as Fixed Price Hedge. For each Fixed Price Hedge purchase, explain the reason(s) for the Difference noted in the Index Comparison section of the attachment.

3. Refer to the Direct Testimony of James P. Henning (Henning Testimony).

a. Provide the current and proposed monthly management fees paid by CM&T to ULH&P.

b. On pages 5 and 6 of the Henning Testimony is a discussion of the competitive bidding process used by Cinergy s Gas Commercial Operations.

(1) Provide a timeline that details the various events in this particular competitive bidding process. At a minimum, indicate when the request for

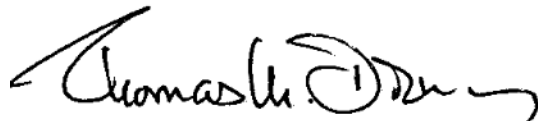
proposal was issued, when the responses were received, and when the selection of CM&T was finalized.

(2) Provide copies of the responses received from CM&T, Proliance, and ConocoPhillips.

(3) Provide copies of Cinergy's specific credit requirements.

(4) Explain whether Cinergy's credit requirements have changed since ULH&P entered into the Asset Management Agreement with Mirant Americas Energy Marketing, LP that was effective December 1, 2001. Include a description of each change and the reason(s) for the change.

(5) Explain why ConocoPhillips was not notified about Cinergy's specific credit requirements.



Thomas M. Dorman
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED: SEPTEMBER 26, 2003

cc: All parties