

# LARGE FILING SEPERATOR SHEET

CASE NUMBER: 03-118-GA-FOR  
03-218-GA-GCR

FILE DATE: 6/14/2004

SECTION: 2 OF 4

NUMBER OF PAGES: 200

DESCRIPTION OF DOCUMENT:  
CONFIDENTIAL

THE CINCINNATI GAS ELECTRIC COMPANY  
LIST OF IT CUSTOMERS BY YEAR

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

2002

E. M. Science  
Enerfab (Trinity Ind) Eff 12/10/02  
Epcor Foundries  
Equilon Enterprises  
Ethicon Endo-Surgery  
Ethicon Endo-Surgery  
F. L. Emmert  
Ford Motor Co.  
Formica Corp. DIP (Eff 3/6/02)  
Formica Corp. DIP (Eff 3/6/02)  
Formica Corporation  
Formica Corporation  
Formica Corporation  
Franklin Boxboard Corpora  
Frisch's Restaurants  
GE Aircraft Engines  
General Mills  
Good Samaritan Hospital  
H. B. Fuller  
Hater Industries  
Hudson Specialty Foods  
Husman Snack Foods  
IKO Production, Inc.  
Inland Container Corp.  
International Paper  
Interstate Brands  
James Beam Distillery Inc  
Jewish Hospital - Kenwood  
John Morrell  
Kahn's & Co.  
Keebler  
Keebler  
Kings Island  
Koch Foods  
Kroger-Dairy  
Kroger-State Ave.  
Lebanon Correctional Inst  
Magnode Corporation  
Mercy Franciscan Mt. Airy  
Mercy Franciscan West Hil  
Mercy Hospital Anderson  
Mercy Hospital Fairfield  
Metro Container  
Metropolitan Sewer Distri  
Metropolitan Sewer Distri  
Miami Packaging, Inc.  
Miami Valley Paper Co  
Micro Metal Finishing  
Middletown Paperboard  
Middletown Reg. Hospital  
Milacron  
Milacron  
Milton Can Company  
Mitsubishi Electric Manuf

2003

Drake Center  
E. M. Science  
Enerfab (Trinity Ind) Eff 12/10/02  
Epcor Foundries  
Ethicon Endo-Surgery  
Ethicon Endo-Surgery  
F. L. Emmert  
Fluor Fernald  
Ford Motor Co.  
Formica Corp. DIP (Eff 3/6/02)  
Formica Corp. DIP (Eff 3/6/02)  
Franklin Boxboard Corpora  
Frisch's Restaurants  
GE Aircraft Engines  
General Mills  
Good Samaritan Hospital  
Graphic Packaging Intn'l  
H. B. Fuller  
Hamilton County Courthouse  
Hater Industries (Off IT 9/1/03)  
Husman Snack Foods  
IKO Production, Inc.  
Inland Container Corp.  
International Paper  
Interstate Brands  
James Beam Distillery Inc  
Jewish Hospital - Kenwood  
John Morrell  
Keebler  
Keebler  
Kings Island  
Knauf Polystyrene  
Koch Foods  
Kroger-Dairy  
Kroger-State Ave.  
Lebanon Correctional Inst  
Magnode Corporation  
Marathon Ashland Pet. Co.  
Material Sciences Corp.  
Mercy Franciscan Mt. Airy  
Mercy Franciscan West Hil  
Mercy Hospital Anderson  
Mercy Hospital Fairfield  
Metro Container  
Metropolitan Sewer Distri  
Metropolitan Sewer Distri  
Miami Packaging, Inc. (Off IT 4/1/03)  
Miami Valley Paper Co  
Micro Metal Finishing  
Middletown Reg. Hospital  
Milacron  
Milacron  
Mitsubishi Electric Manuf  
Mt Pleasant Blacktop

# THE CINCINNATI GAS ELECTRIC COMPANY

## LIST OF IT CUSTOMERS BY YEAR

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

2002

Mt Pleasant Blacktop  
N. American Refractories  
Noveon Hilton Davis, Inc.  
Noveon Hilton Davis, Inc.  
Nutone Inc.  
Occidental Chemical  
Owens Corning DIP  
Patheon Pharmaceuticals (Aventis Pharm)  
PCA  
PCS Purified Phosphates  
Pre Finish Metals Inc.  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Quantum Metals, Inc.  
Queen City Barrel  
Queen City Steel  
Quikrete  
Reliable Castings  
River Transportation  
Riverwood International  
Rock-Tenn Company, Mill D  
Rohm & Haas  
Royster Clark Nitrogen  
Ruetgers Nease Chemical  
S. Rosenthal  
Samuel Adams Brewery  
Sawbrook Steel  
Senco Products, Inc.  
Shelly Materials Inc.  
Shepherd Chemical  
Shepherd Color Co.  
Shepherd Color Co.  
Shriners Hospital  
Siemens Energy  
Siemens Motion Control  
Sisters of Charity  
Smurfit Stone Container C  
Smurfit-Stone Container Corp  
Standard Publishing  
Steelcraft (Masco)  
Stegner Foods  
Sumitomo Sitix Silicon In  
Sun Chemical Corp  
Sun Chemical Corp  
Sun Chemical Corp  
Trey Corrugated  
Twin Rivers Tech. N. I. L  
U.S. Department of Energy  
U.S. EPA

2003

Noveon Hilton Davis, Inc.  
Noveon Hilton Davis, Inc.  
Nutone Inc.  
Occidental Chemical  
Owens Corning DIP  
Patheon Pharmaceuticals (Aventis Pharm)  
PCA  
PCS Purified Phosphates  
Pierre Foods Inc.  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Procter & Gamble  
Quantum Metals, Inc.  
Quebecor World - Lebanon  
Quebecor World - Red Bank  
Queen City Barrel (Off IT 10/1/03)  
Queen City Steel  
Quikrete  
Reliable Castings  
River Transportation  
Rock-Tenn Company, Mill D  
Rohm & Haas  
Royster Clark Nitrogen  
Ruetgers Nease Chemical  
S. Rosenthal  
Samuel Adams Brewery  
Sara Lee Foods  
Sawbrook Steel  
Senco Products, Inc.  
Shell Pipeline Co. LP  
Shelly Materials Inc.  
Shepherd Chemical  
Shepherd Color Co.  
Shepherd Color Co.  
Shriners Hospital  
Siemens Energy (Off IT 9/1/03)  
Siemens Motion Control  
Sisters of Charity  
Smurfit Stone Container C  
Smurfit-Stone Container Corp  
St. Bernard Soap Co.  
Standard Publishing  
Steelcraft (Masco)  
Stegner Foods (Off IT 11/1/03)  
Sumitomo Sitix Silicon In  
Sun Chemical Corp  
Sun Chemical Corp  
Sun Chemical Corp. (Off IT 7/1/03)  
Trey Corrugated  
Twin Rivers Tech. N. I. L

THE CINCINNATI GAS ELECTRIC COMPANY  
LIST OF IT CUSTOMERS BY YEAR

2002

UBE Automotive  
Unifirst Corporation  
Union Central Life Ins. C  
United Dairy Farmers  
University Hospital  
University of Cincinnati  
V. A. Hospital  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Waste Management of Ohio  
Willard Industries  
Witt Company  
World Color - Lebanon  
World Color - Red Bank  
Worthington Steel  
X-Tek - Sharonville  
ZF Batavia, LLC  
Zumbiel, C.W.  
Zumbiel, C.W.

2003

U.S. EPA  
U.S. Playing Card  
UBE Automotive  
Unifirst Corporation  
Union Central Life Ins. C  
United Dairy Farmers  
University Hospital  
University of Cincinnati  
V. A. Hospital  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Valley Asphalt Co.  
Waste Mgmt of Ohio (Off IT 7/1/03)  
Willard Industries  
Witt Company  
Worthington Steel  
X-Tek - Sharonville  
ZF Batavia, LLC  
Zumbiel, C.W.  
Zumbiel, C.W.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**THE CINCINNATI GAS & ELECTRIC COMPANY**  
**LISTING OF INTERRUPTIONS FROM AUGUST 1997 THROUGH DECEMBER 2003**

STARTDATE TIME	STOPDATE TIME	DESCR	PERIODTYPE
1999-01-05-03.00.00.000000	1999-01-05-09.00.00.000000	LEVEL 1 OPERATIONAL. CURTAILMENT	INTERRUPTION
2000-01-21-03.00.00.000000	2000-01-21-10.00.00.000000	LEVEL 1 OPERATIONAL CURTAILMENT	INTERRUPTION
2000-01-21-10.00.00.000000	2000-01-21-12.00.00.000000	LEVEL 1 OPERATIONAL CURTAILMENT	INTERRUPTION
2000-01-21-24.00.00.000000	2000-01-22-10.00.00.000000	LEVEL 1 OPERATIONAL CURTAILMENT	INTERRUPTION
2000-01-22-10.00.00.000000	2000-01-22-12.00.00.000000	LEVEL 1 OPERATIONAL CURTAILMENT	INTERRUPTION
2000-01-25-03.00.00.000000	2000-01-25-10.00.00.000000	LEVEL 1 OPERATIONAL CURTAILMENT	INTERRUPTION
2000-01-27-03.00.00.000000	2000-01-27-12.00.00.000000	LEVEL 4 OPERATIONAL CURTAILMENT	INTERRUPTION
2000-12-18-04.00.00.000000	2000-12-18-10.00.00.000000	LEVEL 1 OPERATIONAL. CURTAILMENT	INTERRUPTION
2003-01-18-04.00.00.000000	2003-01-18-10.00.00.000000	LEVEL 1 OPERATIONAL. CURTAILMENT	INTERRUPTION
2003-01-23-02.00.00.000000	2003-01-23-10.00.00.000000	LEVEL 1 OPERATIONAL. CURTAILMENT	INTERRUPTION
2003-01-23-10.00.00.000000	2003-01-24-09.00.00.000000	LEVEL 1 OPERATIONAL. CURTAILMENT	INTERRUPTION
2003-01-23-18.00.00.000000	2003-01-24-09.00.00.000000	LEVEL 1 & 2 OPERATIONAL. CURTAILMENT	INTERRUPTION
2003-01-27-01.00.00.000000	2003-01-27-10.00.00.000000	LEVEL 1 & 2 OPERATIONAL. CURTAILMENT	INTERRUPTION
2003-01-27-10.00.00.000000	2003-01-27-11.00.00.000000	LEVEL 1 & 2 OPERATIONAL. CURTAILMENT	INTERRUPTION

NOTE: DATE AND DURATION OF INTERRUPTIONS PRIOR TO AUGUST 1997 ARE UNAVAILABLE ONLY  
 OCCURRENCES ARE AVAILABLE - SEE BELOW

**WINTER**  
 1996 - 1997  
 1995 - 1996  
 1994 - 1995

<u>NUMBER OF DAYS</u>	
<u>FULL</u>	<u>PARTIAL</u>
0	0
2	1
0	0

CONFIDENTIAL PROPRIETARY  
 TRADE SECRET



**CG&E Case No. 03-218-GA-GCR  
Liberty Consulting Group  
Management/Performance Audit  
Initial Data Request Set No. 1  
Request Date: February 2, 2004  
Response Due Date: Feb. 27, 2004  
Response Provided On:**

**LIBERTY-DR-01-025**

**REQUEST:**

25. To the extent that any individual large customers have flex-rate or negotiated rate contracts, please provide summaries of those contracts.

**RESPONSE:**

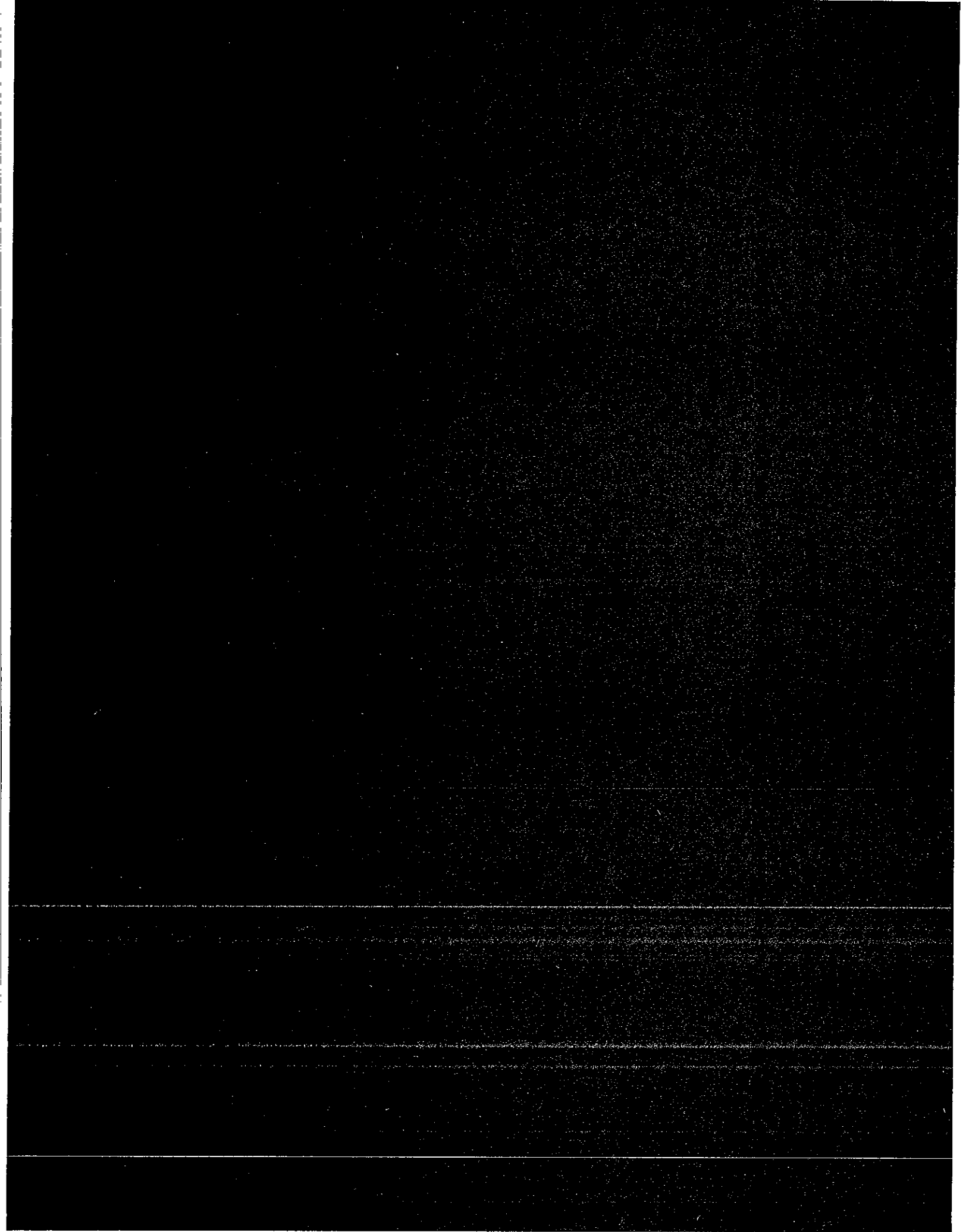
**CONFIDENTIAL PROPRIETARY TRADE SECRET**

See attached listing of Gas Transportation Customers with Special Contracts.

**Witness Responsible: James P. Henning  
Title: Manager, Gas Commercial Operations**







LIBERTY-DR-01-050

**REQUEST:**

50. Please provide a summary of the bidding/RFP process for gas supply for the Audit Period, and any written procedures that exist for this activity. If not already provided under DR #49 above, please provide the following:
- a. The original RFP bid documents.
  - b. A listing of the suppliers that were contacted.
  - c. The responses to the request for bid.
  - d. The evaluation process and analysis that led to the selection of a supplier

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET**

The RFP process for the winter of 2001/02 was handled through telephone and fax, while a more formal process was utilized for the 2002/03 winter. For the first time, an RFP was sent out for summer supply in February 2003 (See response to DR-01-048b. No written procedures exist for this activity.

- a. See attached
- b. Winter 2001/02  
Mirant Americas Energy Marketing, LP  
Dynergy Marketing & Trade  
Aquila Energy Marketing Corp.  
Texaco Natural Gas Inc.  
Anadarko Energy Service Company  
  
Winter 2002/03  
Cinergy Capital and Trading, Inc.  
Proliance Energy, LLC  
Noble Gas Marketing Inc.  
Occidental Energy Marketing, Inc.

Dynegy Marketing & Trade  
Mirant Americas Energy Marketing, LP  
Unocal Global Trade  
Conoco, Inc.  
Duke Energy  
BP Energy Company  
El Paso Energy Marketing  
Woodward Gas Marketing  
Anadarko Energy Services Company

Summer 2003

Conoco, Inc.  
Cinergy Marketing and Trading, Inc.  
BP Energy Company  
Oneok Energy Marketing & Trading Co.  
Duke Energy  
Coral Energy Resources, L.P.  
Anadarko Energy Services Company  
Constellation Power Source, Inc.  
Proliance Energy, LLC  
Virginia Power Energy Marketing

c. See attached.

— d. See attached.

**Witness Responsible: James P. Henning**  
**Title: Manager, Gas Commercial Operations**

MODE = MEMORY TRANSMISSION

START=JUL-30 14:09

END=JUL-30 14:10

FILE NO. = 071

Case 03-218-GA-GCR  
LIBERTY-01-050(a)

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK		916785795970	002/002		

-KO TRANSMISSION -

\*\*\*\*\* -CINERGY

- \*\*\*\*\* 513 287 3768- \*\*\*\*\*

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

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CINERGY.**  
CG&E

# Fax

To: Lou Perrotta From: Jim Dirheimer/513-287-2067  
Fax: 678-579-5970 Pages: 2 (including cover sheet)  
Phone: \_\_\_\_\_ Date: 7-30-01  
Re: \_\_\_\_\_ CC: \_\_\_\_\_

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

MODE = MEMORY TRANSMISSION

START=JUL-30 14:10

END=JUL-30 14:11

FILE NO. = 073

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK		917135076536	002/002		

-KO TRANSMISSION -

\*\*\*\*\* -CINERGY

- \*\*\*\*\* -

513 287 3768- \*\*\*\*\*

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

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CINERGY.**  
CG&E

# Fax

To: <u>Kristy Molina</u>	From: <u>Jim Dirheimer - 513-287-2067</u>
Fax: <u>713-507-6536</u>	Pages: <u>2</u> (including cover sheet)
Phone:	Date: <u>7-30-01</u>
Re:	CC:

☐ Urgent   
 ☐ For Review   
 ☐ Please Comment   
 ☐ Please Reply   
 ☐ Please Recycle

• Comments:

MODE = MEMORY TRANSMISSION

START=JUL-30 14:08

END=JUL-30 14:09

FILE NO. = 069

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK		917133367403	002/002		

-KO TRANSMISSION -

\*\*\*\*\* -CINERGY

- \*\*\*\*\* -

513 287 3768- \*\*\*\*\*

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

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CINERGY.**  
CG&E

# Fax

To: <u>Brenda Brooks</u>	From: <u>Juni Dirheimer</u>
<u>Aguila</u>	<u>513-287-2067</u>
Fax: <u>913-336-7403</u>	Pages: <u>2</u> (including cover sheet)
Phone: _____	Date: <u>7-30-01</u>
Re: _____	CC: _____

☐ Urgent   
 ☐ For Review   
 ☐ Please Comment   
 ☐ Please Reply   
 ☐ Please Recycle

• Comments: \_\_\_\_\_

MODE = MEMORY TRANSMISSION

START=JUL-30 14:00

END=JUL-30 14:01

FILE NO. = 064

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK		917137527896	002/002		

-KO TRANSMISSION -

\*\*\*\*\* -CINERGY

- \*\*\*\*\* -

513 287 3768- \*\*\*\*\*

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

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CINERGY.**  
CG&E

# Fax

To: Bill Silenay From: Jim Durheimer/513-287-2067  
Repco  
 Fax: 713-952-7896 Pages: 2 (including cover sheet)  
 Phone: \_\_\_\_\_ Date: 7-30-01  
 Re: \_\_\_\_\_ CC: \_\_\_\_\_  
☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

MODE = MEMORY TRANSMISSION

START=JUL-30 14:36

END=JUL-30 14:37

FILE NO. = 076

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK	s	912818637181	002/002		

-KO TRANSMISSION -

\*\*\*\*\* -CINERGY

- \*\*\*\*\* -

513 287 3768- \*\*\*\*\*

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

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CINERGY.**  
CG&E

# Fax

To: Steve Wilburn From: Jeri Wehner / 513-287-2067  
 (for John Rippel) Cincinnati  
 Fax: 281-863-7181 Pages: 2 (including cover sheet)  
 Phone: \_\_\_\_\_ Date: 7-30-01  
 Re: \_\_\_\_\_ CC: \_\_\_\_\_  
☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle  
 ♦ Comments: \_\_\_\_\_

Please deliver to Steve Wilburn.  
Thank you!

(John Rippel is out until August 6th - faxed  
to Steve Wilburn in his absence.)



**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES**

Anadarko PIPELINE	TYPE of GAS SUPPLY	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
		November	December	January	February	March			
Columbia Gulf	CG&E	1,000	3,000	3,000	3,000	3,000	\$ 0.0050	Inside FERC	Base
	ULH&P	0	0	0	0	0	\$ 0.0050	Inside FERC	Base
Columbia Gulf	CG&E	8,000	8,000	8,000	8,000	8,000	\$ 0.0075	Inside FERC	Keepwhole
	ULH&P	0	0	0	0	0	\$ 0.0075	Inside FERC	Keepwhole
Texas Gas NNS	CG&E	3,000	3,000	3,000	3,000	3,000	\$ 0.0050	Inside FERC	Base
	ULH&P	0	0	0	0	0	\$ 0.0050	Inside FERC	Base
Texas Gas NNS	CG&E	15,000	15,000	15,000	15,000	15,000	\$ 0.0075	Inside FERC	Keepwhole
	ULH&P	0	0	0	0	0	\$ 0.0075	Inside FERC	Keepwhole
ANR	CG&E	5,212	5,212	5,212	5,212	5,212	\$ 0.0050	Inside FERC	Base
	ULH&P	0	0	0	0	0	\$ 0.0050	Inside FERC	Base
ANR	CG&E	13,552	13,552	13,552	13,552	13,552	\$ 0.0075	Inside FERC	Keepwhole
	ULH&P	0	0	0	0	0	\$ 0.0075	Inside FERC	Keepwhole
Anadarko Base		9,212	11,212	11,212	11,212	11,212			
Anadarko Swing		36,552	36,552	36,552	36,552	36,552			
Total Anadarko		45,764	47,764	47,764	47,764	47,764			
	Seasonal (1)	7,152,316							

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

July 12, 2002

Mr. Bruce A. Sukaly  
Cinergy Capital & Trading, Inc.  
1100 Louisiana  
Suite 4900  
Houston, TX 77002



Dear Bruce:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

The attachments:


- Request for Proposal – Requesting gas supplier (Seller) to provide Reservation Fees for providing firm base and firm swing supply.
- Gas Supply Requirements – Seller should provide the volume of base and swing supply on each of the interstate pipelines that serve Cinergy. **Please Note:** All bids must include base and swing volumes to be considered by Cinergy.
- Natural Gas Purchase and Sales Agreement – This Sales Agreement is the starting point to come up with an agreement that is satisfactory to both Cinergy and the gas supplier.
- Assignment and Assumption of Certain Rights and Obligations – Please note that Cinergy has an Asset Manager Agreement with Mirant Americas Energy Marketing LP (Mirant) that will be effective through the upcoming Winter Season. This means that Cinergy will assign all of its gas supplier contracts for the 2002-2003 Winter Season to Mirant. Mirant has indicated that they will work with Cinergy's gas suppliers to meet satisfactory credit requirements to both parties.

Bids should be sent to Tom Lawson at 139 East Fourth Street, Rm. 460-A, Cincinnati, OH 45202, no later than **July 22, 2002**.

If you have any questions regarding this Request For Proposal please do not hesitate to give me a call at 513-287-4078, or Tom Lawson at 513-287-3219.

Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

VIA OVERNIGHT MAIL

July 11, 2002

Mr. John Bucklew  
Proliance Energy, LLC  
2 Prestige Place  
Suite 150  
Dayton, OH 45342



Dear John:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

The attachments:

- Request for Proposal – Requesting gas supplier (Seller) to provide Reservation Fees for providing firm base and firm swing supply.
- Gas Supply Requirements – Seller should provide the volume of base and swing supply on each of the interstate pipelines that serve Cinergy. **Please Note:** All bids must include base and swing volumes to be considered by Cinergy.
- Natural Gas Purchase and Sales Agreement – This Sales Agreement is the starting point to come up with an agreement that is satisfactory to both Cinergy and the gas supplier.
- Assignment and Assumption of Certain Rights and Obligations – Please note that Cinergy has an Asset Manager Agreement with Mirant Americas Energy Marketing LP (Mirant) that will be effective through the upcoming Winter Season. This means that Cinergy will assign all of its gas supplier contracts for the 2002-2003 Winter Season to Mirant. Mirant has indicated that they will work with Cinergy's gas suppliers to meet satisfactory credit requirements to both parties.

Bids should be sent to Tom Lawson at 139 East Fourth Street, Rm. 460-A, Cincinnati, OH 45202, no later than **July 22, 2002**.

If you have any questions regarding this Request For Proposal please do not hesitate to give me a call at 513-287-4078, or Tom Lawson at 513-287-3219.

Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

A handwritten signature in black ink, appearing to read "James P. Henning".

✓ James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

**VIA OVERNIGHT MAIL**

July 11, 2002

Mr. Wally E. Keim  
Noble Gas Marketing Inc.  
350 Glenborough  
Suite 180  
Houston, TX 77067



Dear Wally:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

The attachments:

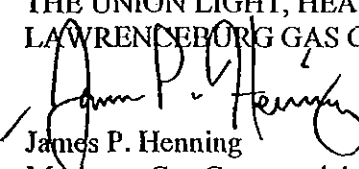
- Request for Proposal – Requesting gas supplier (Seller) to provide Reservation Fees for providing firm base and firm swing supply.
- Gas Supply Requirements – Seller should provide the volume of base and swing supply on each of the interstate pipelines that serve Cinergy. **Please Note:** All bids must include base and swing volumes to be considered by Cinergy.
- Natural Gas Purchase and Sales Agreement – This Sales Agreement is the starting point to come up with an agreement that is satisfactory to both Cinergy and the gas supplier.
- Assignment and Assumption of Certain Rights and Obligations – Please note that Cinergy has an Asset Manager Agreement with Mirant Americas Energy Marketing LP (Mirant) that will be effective through the upcoming Winter Season. This means that Cinergy will assign all of its gas supplier contracts for the 2002-2003 Winter Season to Mirant. Mirant has indicated that they will work with Cinergy's gas suppliers to meet satisfactory credit requirements to both parties.

Bids should be sent to Tom Lawson at 139 East Fourth Street, Rm. 460-A, Cincinnati, OH 45202, no later than **July 22, 2002**.

If you have any questions regarding this Request For Proposal please do not hesitate to give me a call at 513-287-4078, or Tom Lawson at 513-287-3219.

Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

**VIA OVERNIGHT MAIL**

July 11, 2002

Mr. Scott R. Wells  
Occidental Energy Marketing, Inc.  
5 Greenway Plaza  
Suite 2400  
Houston, TX 77046

**CINERGY.**

Dear Scott:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

The attachments:


- Request for Proposal – Requesting gas supplier (Seller) to provide Reservation Fees for providing firm base and firm swing supply.
- Gas Supply Requirements – Seller should provide the volume of base and swing supply on each of the interstate pipelines that serve Cinergy. **Please Note:** All bids must include base and swing volumes to be considered by Cinergy.
- Natural Gas Purchase and Sales Agreement – This Sales Agreement is the starting point to come up with an agreement that is satisfactory to both Cinergy and the gas supplier.
- Assignment and Assumption of Certain Rights and Obligations – Please note that Cinergy has an Asset Manager Agreement with Mirant Americas Energy Marketing LP (Mirant) that will be effective through the upcoming Winter Season. This means that Cinergy will assign all of its gas supplier contracts for the 2002-2003 Winter Season to Mirant. Mirant has indicated that they will work with Cinergy's gas suppliers to meet satisfactory credit requirements to both parties.

Bids should be sent to Tom Lawson at 139 East Fourth Street, Rm. 460-A, Cincinnati, OH 45202, no later than **July 22, 2002**.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY



✓ James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

**VIA OVERNIGHT MAIL**

July 11, 2002

Ms. Kristy Molina  
Dynegy Marketing & Trade  
1000 Louisiana Street  
Suite 5800  
Houston, TX 77002



Dear Kristy:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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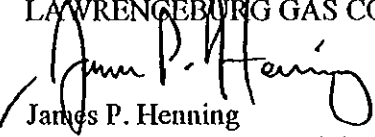
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Sincerely,

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THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

VIA OVERNIGHT MAIL

July 11, 2002

Mr. Louis J. Perrotta  
Mirant Americas Energy Marketing, LP  
1155 Perimeter Center West  
Atlanta, GA 30338-5416



Dear Lou:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
✓ James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

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

VIA OVERNIGHT MAIL

July 11, 2002

Mr. Joe H. Blount, Jr.  
Unocal Global Trade  
14141 S.W. Freeway  
Sugar Land, TX 77478



Dear Joe:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Bids should be sent to Tom Lawson at 139 East Fourth Street, Rm. 460-A, Cincinnati, OH 45202, no later than **July 22, 2002**.

If you have any questions regarding this Request For Proposal please do not hesitate to give me a call at 513-287-4078, or Tom Lawson at 513-287-3219.

Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

A handwritten signature in cursive script that reads "James P. Henning".

James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments



CONFIDENTIAL PROPRIETARY  
TRADE SECRET

VIA OVERNIGHT MAIL

July 11, 2002

Ms. Maria Hooper  
Conoco, Inc.  
600 N. Dairy Ashford Rm. CH1081  
Houston, TX 77079



Dear Maria:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

*James P. Henning/TML*

✓ James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

**VIA OVERNIGHT MAIL**

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

July 11, 2002

Mr. Kyle Hamrick  
Duke Energy  
5400 Westheimer  
Houston, TX 77056



Dear Kyle:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

**VIA OVERNIGHT MAIL**

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

July 11, 2002

Ms. Cindy Collins  
BP Energy Company  
501 West Lake Park Boulevard  
Houston, TX 77079-2696

**CINERGY.**

Dear Cindy:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mif

Attachments

**VIA OVERNIGHT MAIL**

July 11, 2002

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Mr. Nick Kornuta  
BP Energy Company  
501 West Lake Park Boulevard  
Houston, TX 77079-2696



Dear Nick:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

**VIA OVERNIGHT MAIL**

July 11, 2002

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Ms. Allyson Pellegrin  
El Paso Energy Marketing  
1001 Louisiana Street  
Travis Place 8<sup>th</sup> Floor  
Houston, TX 77002



Dear Allyson:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

A handwritten signature in black ink, appearing to read "James P. Henning".

James P. Henning

Manager, Gas Commercial Operations

TML:mlf

Attachments

**VIA OVERNIGHT MAIL**

July 11, 2002

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Mr. Stan McDivitt  
Woodward Gas Marketing  
100 W. 3<sup>rd</sup> Street  
Suite 300  
Owensboro, KY 42303



Dear Stan:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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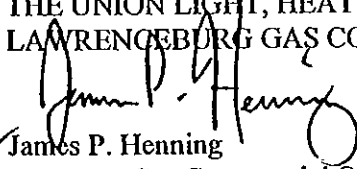
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THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

  
James P. Henning  
Manager, Gas Commercial Operations

TML:mlf

Attachments

**VIA OVERNIGHT MAIL**

July 11, 2002

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Mr. John W. Ripple  
Anadarko Energy Services Company  
17001 Northchase Drive  
P. O. Box 1330  
Houston, TX 77251-1330



Dear John:

The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) is requesting bids from various natural gas suppliers to provide "firm" natural gas deliveries into interstate pipelines that will serve Cinergy for the 2002-2003 Winter Season. Cinergy is requesting both base and swing supply.

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THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

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James P. Henning

Manager, Gas Commercial Operations

TML:mjf

Attachments

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

CG&E CO.  
GAS SUPPLY REQUIREMENTS  
2002-2003 WINTER SEASON  
(CITY GATE)

	NOV (DTH/D)	DEC (DTH/D)	JAN (DTH/D)	FEB (DTH/D)	MAR (DTH/D)
<b>TENNESSEE</b>					
BASE	5,000	5,000	5,000	5,000	5,000
SWING	19,745	19,745	19,745	19,745	19,745
TOTAL	24,745	24,745	24,745	24,745	24,745
<b>SELLER'S BID :</b>					
<b>TENNESSEE</b>					
BASE					
SWING					
TOTAL					
<b>TEXAS GAS</b>					
BASE	26,200	26,200	26,200	26,200	26,200
SWING	60,656	60,656	60,656	60,656	60,656
TOTAL	86,856	86,856	86,856	86,856	86,856
<b>SELLER'S BID :</b>					
<b>TEXAS GAS</b>					
BASE					
SWING					
TOTAL					
<b>COL. GULF</b>					
BASE	27,301	66,817	89,092	63,658	47,341
SWING	84,758	45,242	22,967	48,401	64,718
TOTAL	112,059	112,059	112,059	112,059	112,059
<b>SELLER'S BID :</b>					
<b>COL. GULF</b>					
BASE					
SWING					
TOTAL					
<b>TOTAL BASE</b>	58,501	98,017	120,292	94,858	78,541
<b>TOTAL SWING</b>	190,870	151,354	129,079	154,513	170,830
<b>TOTAL FIRM</b>	249,371	249,371	249,371	249,371	249,371



CONFIDENTIAL PROPRIETARY  
TRADE SECRET

ULH&P CO.  
GAS SUPPLY REQUIREMENTS  
2002-2003 WINTER SEASON  
(CITY GATE)

	NOV (DTH/D)	DEC (DTH/D)	JAN (DTH/D)	FEB (DTH/D)	MAR (DTH/D)
<b>TENNESSEE</b>					
BASE	4,000	8,000	8,000	8,000	4,000
SWING	19,056	35,056	35,056	35,056	19,056
TOTAL	23,056	43,056	43,056	43,056	23,056
<b>SELLER'S BID :</b>					
<b>TENNESSEE</b>					
BASE					
SWING					
TOTAL					
<b>COL. GULF</b>					
BASE	11,003	8,190	15,213	13,372	12,035
SWING	11,547	14,360	7,337	9,178	10,515
TOTAL	22,550	22,550	22,550	22,550	22,550
<b>SELLER'S BID :</b>					
<b>COL. GULF</b>					
BASE					
SWING					
TOTAL					
<b>TOTAL BASE</b>	15,003	16,190	23,213	21,372	16,035
<b>TOTAL SWING</b>	25,427	44,240	37,217	39,058	24,395
<b>TOTAL FIRM</b>	40,430	60,430	60,430	60,430	40,430

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**LAW. GAS CO.**  
**GAS SUPPLY REQUIREMENTS**  
**2002-2003 WINTER SEASON**  
**(CITY GATE)**

	NOV (DTH/D)	DEC (DTH/D)	JAN (DTH/D)	FEB (DTH/D)	MAR (DTH/D)
<b>TEXAS GAS</b>					
BASE	1,450	1,710	2,110	2,110	1,720
SWING	4,039	3,779	3,379	3,379	3,769
TOTAL	5,489	5,489	5,489	5,489	5,489

**SELLER'S BID :**

**TEXAS GAS**

BASE  
SWING

TOTAL

**PURCHASER:** The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Gas Company (LGCo.)

**SELLER:**

**PRODUCT DESIRED BY PURCHASER:** "Firm Supply"

**TERM:** November 1, 2002 through March 31, 2003.

**COMMODITY PRICE:** Base Price: Inside FERC First of Month Index (KeepWhole or Gas Daily).  
Swing Price: KeepWhole: Inside FERC First of Month Index.  
Option: Lower of Inside FERC First of Month Index or Gas Daily midpoint.  
Gas Daily: Midpoint.

**PURCHASER'S REQUIREMENTS :** Please see attachments.

**NOMINATIONS:** 24 Hr. Notice 7 days a week (including holidays).

**FLEXIBILITY:** Number of Intra-day nominations ( ) during the month.

**RESERVATION PRICE:**

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	2002-03 RESERVATION FEE BID		
			KEEPWHOLE \$/DTH	OPTION \$/DTH	GAS DAILY \$/DTH
Columbia Gulf	Onshore	Firm Base		---	---
Columbia Gulf	Onshore	Firm Swing			
Texas Gas	SL	Firm Base		---	---
Texas Gas	SL	Firm Swing			
Tennessee	Zone 1	Firm Base		---	---
Tennessee	Zone 1	Firm Swing			

**NON PERFORMANCE PENALTY:** Seller - Net Replacement cost including pipeline penalty changes if incurred by Purchaser.  
Purchaser - Reservation charges plus KeepWhole on commodity price if incurred by Seller.

**CONTRACT :** Please see attachment.

**ASSIGNMENT OF CONTRACT:** CG&E and ULH&P will assign Seller's gas supply agreement with CG&E and/or ULH&P to Mirant Americas Energy Marketing, LP. effective November 1, 2002 (please see attachment).

**PURCHASER CONTACTS:** Tom Lawson (513) 287-3219  
Jim Henning (513) 287-4078  
Fax: (513) 287-3693

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

NATURAL GAS PURCHASE AND SALES AGREEMENT

BETWEEN

THE CINCINNATI GAS & ELECTRIC COMPANY

AS PURCHASER

AND

---

AS SELLER

EFFECTIVE: NOVEMBER 1, 2002

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NATURAL GAS PURCHASE AND SALES AGREEMENT

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NATURAL GAS PURCHASE AND SALES AGREEMENT

THIS NATURAL GAS PURCHASE AND SALES AGREEMENT ("Agreement") is made and entered into this 1st day of November, 2002, ("Effective Date"), by and between THE CINCINNATI GAS & ELECTRIC COMPANY, an Ohio corporation having its principal place of business at 139 East Fourth Street, Cincinnati, Ohio 45202, hereinafter called "Purchaser," and, \_\_\_\_\_, a \_\_\_\_\_ corporation having its principal place of business at \_\_\_\_\_, hereinafter called "Seller."

WITNESSETH:

WHEREAS, Purchaser requires Firm (as defined herein below) natural gas supplies to meet its utility service obligations, including its obligations to provide natural gas for Purchaser's high priority residential and commercial customers; and

WHEREAS, Seller has natural gas available for sale to meet Purchaser's Firm obligations as provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the parties do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

The following terms used herein are intended and shall be construed to have meanings as follows:

1.0 The term "Gas" shall include natural gas of merchantable (pipeline) quality, which is produced from wells and

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delivered at the Point(s) of Receipt and meets Purchaser's specifications as set forth herein.

1.1 "Firm" shall mean that performance under this Agreement can only be interrupted to the extent that such performance is prevented for reasons of Force Majeure with respect to either party hereto.

1.2 "Mcf" shall mean one thousand (1,000) cubic feet.

1.3 "Btu" shall mean British Thermal Unit, and "MMBtu" shall mean one million (1,000,000) British Thermal Units. One MMBtu is equal to one "dekatherm" (Dth) dry.

1.4 "Dth" shall mean one dekatherm and shall be used interchangeably with the term MMBtu.

1.5 The term "Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 8:00 a.m. Eastern time.

1.6 "Transporter(s)" shall mean the party or parties, if any, designated by Seller or Purchaser, in fulfillment of each party's respective obligations hereunder, to receive and handle Gas deliverable hereunder.

1.7 "Point(s) of Receipt" shall mean the point(s) at which Seller's or Seller's Transporter(s)' facilities are first connected to the pipeline facilities of Purchaser's Transporter(s).

1.8 Baseload Maximum Daily Quantity (BMDQ) and Swing Maximum Daily Quantity (SMDQ) shall mean the quantity of Gas per Day as specified in Exhibit "A" and shall have the meaning designated in Article II, Section 2.1, of this Agreement.



TERM AND QUANTITY

2.0 This Agreement shall become effective on November 1, 2002, for an initial term of five (5) months ending March 31, 2003 ("Initial Term"). The Initial Term may be extended for additional periods by mutual written consent of the parties hereto ("Extended Term"). The Initial Term and any applicable Extended Term shall be referred to collectively herein as the "Term."

2.1 During the Term of this Agreement Purchaser shall be entitled to nominate and purchase maximum daily quantities of Gas comprised of two components: a Baseload Maximum Daily Quantity ("BMDQ") and a Swing Maximum Daily Quantity ("SMDQ"). The BMDQ and the SMDQ will vary according to pipeline and calendar month and are set forth on Exhibit "A" attached to this Agreement and incorporated herein by this reference. The BMDQ and the SMDQ set forth on Exhibit "A" include quantities of Gas ("Fuel Gas") to be retained by Purchaser's Transporter(s) to compensate Transporter(s) for compressor fuel, line loss and unaccounted for volumes calculated pursuant to the Transportation Tariff(s) on file with the FERC and in effect at the time of computation of such compensation. Seller shall deliver to the Receipt Point(s) and Purchaser shall purchase Gas in quantities equal to the BMDQ and up to one hundred percent (100%) of the SMDQ as nominated by Purchaser under this Agreement.

2.2 No later than twenty-four (24) hours prior to the first of the month nomination deadline imposed by Purchaser's first

Transporter, or such other Transporter designated by agreement of the parties hereto, Purchaser shall notify Seller of Purchaser's daily nomination of a quantity of Gas one hundred percent (100%) of the BMDQ ("Baseload Volume") plus up to one hundred percent (100%) of the SMDQ ("Swing Volume") for delivery during the following month ("Initial Nomination").

2.3 After Purchaser's submission of its Initial Nomination, Purchaser shall be entitled to revise the Initial Nomination in accordance with the procedure below ("Revised Nomination"). The applicable BMDQ set forth in Exhibit "A" and nominated by Purchaser as the Baseload Volume shall remain in effect during the entire month and shall not be increased or decreased. The Swing Volume nominated by Purchaser may be decreased to zero on each day designated by Purchaser in its notice of Revised Nomination or increased up to the applicable SMDQ set forth in Exhibit "A". Purchaser's Swing Volume, once decreased in a Revised Nomination, may be subsequently increased up to the applicable SMDQ. Purchaser shall notify Seller by telephone of a Revised Nomination no later than two (2) hours prior to Transporter's nomination deadline applicable to the Day on which the Revised Nomination is to be implemented. Seller shall provide Purchaser Receipt Point information (volumes and meter #'s) no later than one (1) hour prior to Transporter(s) nomination deadline. Notwithstanding the foregoing, in the event Purchaser does not provide at least two (2) hours notice prior to the nomination deadline, the parties will use their reasonable

efforts to implement a Revised Nomination as soon as possible under the circumstances.

2.4 The daily and monthly volumes nominated by Purchaser represent a Firm delivery obligation under this Agreement. Seller warrants and guarantees that it will deliver to Purchaser's Transporter(s) the volumes nominated by Purchaser. If for any reason, including force majeure, Seller is unable to meet its Firm sales obligations to Purchaser with Seller's available supplies, Seller will supply all of its obligations under this Agreement prior to delivering Gas under any agreement(s) to any of Seller's non-firm ("Interruptible") customers on Purchaser's First Transporter or any pipeline serving Purchaser which could affect direct deliveries to Purchaser, unless any such reduction in Interruptible sales would not increase Seller's ability to meet its obligations to Purchaser under this Agreement. If, after curtailing its Interruptible customers as provided above, Seller remains unable to meet all of its Firm obligations to customers on Purchaser's first Transporter, Seller will deliver to Purchaser no less than Purchaser's pro rata share of Gas available for delivery to Seller's firm customers on the first Transporter at the Receipt Point(s).

2.5(a) In the event that Seller fails to deliver to Purchaser at the Receipt Point(s), all or any portion of the quantity nominated by Purchaser (the shortfall is defined as the "Deficiency Volume"), and such failure is not due to a force majeure condition or otherwise excused under this Agreement,

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Seller shall pay Purchaser the Net Replacement Cost, as defined below, incurred by Purchaser to replace the Deficiency Volume through purchases of Gas from third parties and/or the production of propane. Pipeline penalty charges as reflected in their tariffs will be included in the Net Replacement Cost if actually incurred and paid by Purchaser as a direct result of Seller's failure to make deliveries. Net Replacement Cost represents the difference between (i) the cost of the Deficiency Volume (calculated on an as delivered cost to Purchaser's city gate) that Purchaser would have paid had Seller delivered the Deficiency Volumes under this Agreement and (ii) the cost reasonably incurred by Purchaser to replace the Deficiency Volume at Purchaser's city gate or point of purchase for resale in Purchaser's distribution system. Purchaser shall use its best efforts to minimize the total cost of replacing the Deficiency Volume and shall support the Net Replacement Cost with written documentation.

2.5(b) If during any month during the Term of this Agreement Purchaser (i) fails to nominate and purchase the Baseload Volume; (ii) fails to purchase the Swing Volume it nominates; or (iii) elects not to nominate and purchase the SMDQ for the entire month, and such failure in the case of subpart (i) and (ii) or election in the case of subpart (iii) is not due to a force majeure condition or otherwise excused under this Agreement, Purchaser shall pay Seller a Keep Whole Charge ("Net Resale Cost"), as defined below, using the following procedure. The difference between the Baseload Volume nominated and the

Baseload Volume actually purchased shall constitute the "Baseload Deficiency Volume." The difference between the Swing Volume actually purchased and the SMDQ for the entire month shall constitute the "Swing Deficiency Volume." Purchaser shall pay Seller the Net Resale Cost incurred by Seller in the resale of the Baseload Deficiency Volume and the Swing Deficiency Volume, including pipeline penalty charges as reflected in their tariffs if actually incurred and paid by Seller as a direct result of Purchaser's failure to nominate and purchase the Baseload Volume or the Swing Volume.

Net Resale Cost represents the difference between: (i) the price Seller would have received from Purchaser for the Baseload Deficiency Volume or the Swing Deficiency Volume, or both, had Purchaser purchased such volumes at the Receipt Point(s), less any costs (other than gas supply acquisition costs) Seller avoids as a result of Purchaser's failure to purchase or election not to purchase the Deficient Purchase Volume, and (ii) the price Seller obtains in the resale of the Deficient Purchase Volume (calculated on a delivered to an interstate pipeline basis). Seller shall use its best efforts to maximize the total resale price and shall support the Net Resale Cost with written documentation. In the event Seller does not resell the Baseload Deficiency Volume or the Swing Deficiency Volume, or both, on the day that such volumes would have been delivered to Purchaser, the following "Gas Daily Midpoint Price" established in Exhibit "B" of this Agreement, which is attached hereto and incorporated herein by this reference, shall be substituted for the actual

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resale price. In the event that Gas Daily does not publish a range of prices for the applicable Day, the range of prices for the first preceding reported Day and the first succeeding reported Day shall each yield a Gas Daily Midpoint price calculated as provided in Exhibit "B," and the resulting two prices shall be averaged to yield the Default Gas Daily Midpoint Price. The Default Gas Daily Midpoint Price will be substituted for the actual resale price.

To the extent that the Gas Daily Midpoint Price is less than the first of the month Index Price, Purchaser agrees to pay Seller the difference between the first of month index price and the Gas Daily Midpoint Price multiplied by the Deficient Purchase Volume. To the extent the Gas Daily Midpoint Price is greater than the first of the month Index Price, Seller agrees to give Purchaser a credit for the difference between the first of the month Index Price and the Gas Daily Midpoint Price multiplied by the Deficient Purchase Volume.

2.6 Intra-day nominations (increases and decreases) will be allowed on a best efforts basis and subject to pipeline approval. Purchaser may make intra-day nomination changes to increase its Nominated Daily Swing Quantity by an additional quantity (the "Intra-day Quantity") for same Day delivery. The increased Nominated Daily Quantity shall not exceed the Swing Maximum Daily Quantity. The commodity charge for such Intra-day Quantity will be the higher of the Gas Daily Midpoint Price for that Day or the next business Day plus \$\_\_\_\_\_/MMBtu. If Purchaser makes an intra-day nomination change to decrease the Nominated Daily Swing

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Quantity, then Seller will buy the turned back volume from Purchaser at the lower of the Gas Daily Midpoint Price for that Day or the next business day minus \$\_\_\_\_\_/MMBtu.

2.7 Subject to the quality specifications of Article VII herein, Seller may process the Gas to remove any Liquid Hydrocarbons or Liquefiable Hydrocarbons prior to the delivery of the Gas to Purchaser at the Receipt Point(s). In the event Seller elects to process the Gas, any hydrocarbons so removed shall be Seller's sole responsibility and all costs (including additional transportation costs attributable to such processing) shall be paid by the Seller. The volumes delivered to Purchaser shall be net of any "plant volume reduction" as that phrase, or its equivalent, is defined in pertinent gas processing agreements.

ARTICLE III

PRICE

3.0 The price payable by Purchaser to Seller for Firm service under this Agreement and for Gas delivered to Purchaser shall consist of a reservation fee and a commodity fee.

3.1 Purchaser will pay to Seller each month a Reservation Fee for each MMBtu (BMDQ = Base Volumes and SMDQ = Swing Volumes), which Purchaser reserves the right to purchase. The monthly Reservation Charge will be equal to the BMDQ and SMDQ multiplied by the applicable Reservation Fee, which product will then be multiplied by the number of Days in each month. Pipeline Reservation Fees will be as follows:

Texas Gas Transmission Corporation:

BMDQ Reservation Fee = \$0.\_\_\_\_\_ per MMBtu.  
SMDQ Reservation Fee = \$0.\_\_\_\_\_ per MMBtu.

Panhandle Eastern Pipe Line Company:

BMDQ Reservation Fee = \$0.\_\_\_\_\_ per MMBtu.  
SMDQ Reservation Fee = \$0.\_\_\_\_\_ per MMBtu.

Tennessee Gas Pipeline:

BMDQ Reservation Fee = \$0.\_\_\_\_\_ per MMBtu.  
SMDQ Reservation Fee = \$0.\_\_\_\_\_ per MMBtu.

The reservation fee is based on the monthly maximum quantities of Gas deliverable on each pipeline and shall not be reduced in the event Purchaser nominates less than the BMDQ and SMDQ on each Day of the month. However, in the event of a force majeure or non-performance by Seller, the reservation fee shall be reduced by an amount equal to the per MMBtu reservation fee multiplied by the quantity of gas nominated by Purchaser, but not delivered by Seller as a result of Seller's unexcused failure to deliver Gas or a force majeure declared by Seller.

3.2 The Swing Reservation Fee per MMBtu may change in accordance with the NYMEX pricing option stated in Article IV, Section 4.2, of this Agreement.

3.3 The monthly commodity charge will be the product of (i) the total monthly quantity of Gas nominated by Purchaser and delivered by Seller on each pipeline; and (ii) the Monthly Index Price, which will vary according to the pipeline of delivery, as set forth in Exhibit "C" of this Agreement, which is attached hereto and incorporated herein by this reference.

3.4 In the event the publication forming the basis of the monthly commodity fee ceases to be published during the Term of



this Agreement, the parties shall immediately agree on a replacement publication. Until such time, the replacement publication shall be the Natural Gas Intelligence Gas Price Index.

#### ARTICLE IV

##### NYMEX/OTC PRICING

4.0 Purchaser and Seller agree that at any time during the Term of this Agreement, but no later than 1:00 P.M. New York Time on the last day of trading in the natural gas NYMEX Henry Hub futures contract, Purchaser may direct Seller to secure any portion of the contracted volumes at a NYMEX based price. In the event that Purchaser elects a NYMEX based fixed price for any portion of the contracted volume, Purchaser and Seller shall mutually agree upon a basis differential and Seller shall expeditiously execute all transactions necessary in order to satisfy Purchaser's request. In the event Seller is unable to secure for Purchaser the requested volumes at the requested fixed price, such volumes shall continue to be priced under the terms outlined in Article III, Section 3.3, of this Agreement.

4.1 In the event Seller has entered into NYMEX based agreements to satisfy an expressed intent of Purchaser to fix the price for an expressed quantity of Gas, Seller shall notify Purchaser of the volumes to be exercised at a NYMEX based price. Purchaser shall notify Seller of the price to be exercised by 1:00 p.m. New York time on the termination of trading date. If Purchaser fails to establish the price by 1:00 p.m. New York time

on the termination of trading date, Seller shall determine the price based upon the final settlement plus or minus the agreed upon basis.

4.2 In the event Purchaser elects, prior to the delivery month, not to cover its responsibility under the Keep Whole provision outlined in Article II, Section 2.5(b), of this Agreement, Seller shall offer, upon request, a price for an option that, if exercised, voids the Keep Whole provision of Article II, Section 2.5(b) as it applies to the Purchaser and allows Purchaser to return quantities to Seller without further penalty. In the event Purchaser exercises its option under this section, Purchaser may request, however, Seller is not obligated to provide quantities at an agreed upon market based price. Seller is, however, required, upon request by Purchaser, to provide quantities at the first of the month price.

4.3 Purchaser and Seller agree that at any time during the Term of this Agreement, upon mutual consent of the parties, Purchaser may direct Seller to enter into price caps, price floors, price collars, fixed basis differentials to NYMEX, or other pricing terms which Purchaser deems necessary for volumes up to the maximum contract quantity. Unless otherwise agreed upon, the default for settling NYMEX related instruments under this section shall be the last Day of trading settlement price for the appropriate contract month.

4.4 In the event Purchaser enters into a price commitment as outlined under this section and subsequently elects an alternative price structure (i.e., fixed to floating), Seller,

upon request, shall offer pricing terms for establishing said alternative price structure. Purchaser agrees to pay Seller all reasonable and identifiable costs associated with unwinding the previous price commitment and establishing the subsequent alternative price commitment.

ARTICLE V

GOVERNMENTAL REGULATIONS

5.0 If, at any time during the Term of this Agreement, because of any federal or state law or any order, rule, or regulation of any government body or authority, Purchaser is prohibited or prevented from including in its rates as a cost of Gas for purposes of pass-through to its customers the full amount of any cost incurred under this Agreement which Purchaser has agreed to pay Seller hereunder, Purchaser shall be excused, effective prospectively from the date that Purchaser gives written notice, or such later date chosen by Purchaser, to Seller of the pertinent Federal Energy Regulatory Commission or State Regulatory agency order, from taking at the price specified by this Agreement. Each time, if ever, that Purchaser invokes this right to be excused from taking Gas pursuant to this paragraph, Purchaser or Seller may terminate this Agreement upon a thirty day (30) written to the other party hereto. However, Purchaser agrees to pay Seller all reasonable and identifiable costs associated with; (i) unwinding any previous price commitments entered into on behalf of Purchaser, and (ii) actions taken by Seller to mitigate any costs incurred by Seller in connection

with Purchaser's termination hereunder. Likewise, Seller agrees to pay Purchaser any reasonable and identifiable costs associated incurred by Purchaser after Purchaser's notice of its intent to terminate to Seller based upon this Article. Either party's election not to exercise such right in one or more instances shall not be construed as such party's waiver of such right for the remaining Term of this Agreement. Notwithstanding the foregoing, Purchaser shall be obligated to pay for Gas purchased through the date of the notice to Seller, or such purchase of Gas that Seller could not have reasonably avoided subsequent to the date of such notice.

ARTICLE VI

POINT(S) OF RECEIPT

6.0 The Primary Point(s) of Receipt and corresponding maximum volume of Gas available for delivery by Seller to Purchaser are stated in Exhibit "D" of this Agreement, which is attached hereto and incorporated herein by this reference. The Primary Point(s) of Receipt and corresponding maximum volume may change by mutual agreement of the parties as approved by Purchaser's Transporter(s) and in compliance with Purchaser's Transporter(s') governing tariff. Seller shall utilize Pipeline Pooling Points in place of Primary Point(s) of Receipt to deliver gas to Purchaser's Transporter(s) unless (i) pipeline curtailments jeopardize Seller's ability to deliver Gas to Purchaser, or (ii) upon mutual agreement between Purchaser and Seller.

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6.1 As between the parties, Seller shall be in exclusive control and possession of the Gas before it has been made available at each Point of Receipt or Pooling Point, and shall be responsible for any losses, damages, injuries, claims and liabilities arising out of the Gas prior to delivery. Purchaser shall be in exclusive control and possession of Gas after it has been made available at each Point of Receipt or Pooling Point, and shall be responsible for any losses, damages, injuries, claims and liabilities arising out of the Gas, the incidence of which occurs after the delivery of such Gas to Purchaser.

ARTICLE VII

QUALITY, MEASUREMENT AND OTHER SPECIFICATIONS

7.0 The terms and provisions of the Purchaser's Transporter's governing tariff, as amended and modified from time to time, shall define and set forth, among other things, the units of measurement, measurement specifications, quality, heating value, testing specifications, and delivery terms and specifications of the Gas to be delivered to the first connecting pipeline pursuant thereto. All such definitions, specifications, procedures and terms, and all other terms and provisions of the Purchaser's Transporter(s') tariff relating to the delivery of Gas to Purchaser's Transporter(s) are expressly incorporated herein by reference. Seller hereby expressly acknowledges that it has been apprised of and shall comply with the terms and conditions of the Purchaser's Transporter(s') tariff with the respect to the specifications set forth in this Article VII. Seller further agrees that such terms and conditions shall be

applicable to, and binding upon Seller with respect to any and all Gas sold by Seller to Purchaser, and delivered by Seller to Purchaser's Transporter(s).

7.1 The volumes of Gas delivered pursuant hereto shall be determined by the measurement procedures of the Purchaser's Transporter(s) governing tariff. Seller shall be solely responsible for compliance with this Article VII.

#### ARTICLE VIII

##### PAYMENT AND STATEMENTS

8.0 All amounts paid by Purchaser to Seller for purchases made pursuant to this Agreement shall be based on volumes actually delivered at the point(s) of receipt as shown on Purchaser's Transporter(s) monthly statement to Purchaser, and shall be wired transferred to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Account No. \_\_\_\_\_  
ABA No. \_\_\_\_\_

Seller shall state the wire transfer payment information, as stated above, on Seller's monthly statement to Purchaser.

8.1 On a monthly basis, Purchaser shall notify Seller, upon request, of the amounts of Seller's Gas reported as delivered to Purchaser's Transporter(s) during the previous month. To assist Seller in preparing invoices, Purchaser shall send Seller, by telecopy, promptly, on Seller's request, copies of Purchaser's Transporter(s) monthly transportation statement. On a monthly

basis, Seller shall also notify Purchaser, upon request, by written report or by copy of Seller's report to Transporter(s) of the amounts of Seller's Gas actually delivered (or estimated, if actual deliveries are not available) to Purchaser's Transporter(s) during the previous month. On or before the fifteenth (15th) Day of the month following any month's deliveries, Seller shall render to Purchaser an invoice showing Seller's quantity of Gas delivered at the Point(s) of Receipt during the delivery period, and a calculation of the total amount due. Remittance of such amount shall be made by Purchaser to Seller, by wire transfer, on the twenty-fifth (25th) Day of the month. Should the twenty-fifth (25th) Day of the month fall on a weekend or on a holiday, remittance may be made no later than the next business Day.

Should Seller delay presentation of its invoice so that Purchaser's receipt of the invoice occurs after the fifteenth (15th) Day of the month as provided herein, Purchaser shall be afforded ten (10) business Days from its receipt of said invoice within which to make payment to Seller as provided herein.

8.2 A delayed payment charge equal to the prime rate published in the Wall Street Journal in the "Money Rates" column, plus one percent (1%) per annum shall be due on amounts not paid within such period by Purchaser, until the same are paid. Said delayed payment charge shall be calculated in accordance with the following formula:

$$(\$ \text{ amount due}) \times (\text{PRIME} + 1\%) / 365 \times \text{number of days}$$
  
delinquent

All statements, billings and payments shall be subject to correction of any errors contained therein for a period of two (2) years following the respective date of invoice.

8.3 To the extent possible, all monthly estimates shall be corrected and settled during the next billing period.

#### ARTICLE IX

##### OPERATIONS

9.0 All costs and expenses of obtaining a commitment for gas (including, without limitation, royalty payments), of constructing and maintaining all facilities required for delivery of pipeline quality Gas at sufficient pressure to the Point(s) of Receipt or any such costs incurred in the future pursuant to this Agreement, as between the parties, are the sole responsibility of Seller. Nothing in this Section shall be construed to obligate Seller to install facilities or equipment in connection with the delivery of Gas under this Agreement, it being understood that Seller will rely on facilities owned and operated by third parties. As a result of the preceding sentence and based upon Purchaser's reliance upon Seller's use of a third party owned and operated facilities, Purchaser is an intended third party beneficiary to any agreements between Seller and any third party whereby the Seller relies upon the facilities owned and operated by such third parties to fulfill its obligations hereunder. Notwithstanding this Article IX, Seller shall be obligated hereunder and shall remain responsible hereto for providing Gas to the Point(s) of Receipt as such provision is considered a



material term of this Agreement to the extent that such is not a force majeure event as defined below.

ARTICLE X

FORCE MAJEURE

10.0 In the event that either Purchaser or Seller is rendered unable, by an event of force majeure, to perform wholly or in part any obligation or commitment set forth in this Agreement, then upon such party's giving oral notice, followed by written notice, and full particulars of such event of force majeure, this Agreement shall be suspended, except for payment for volumes previously delivered under the terms of the Agreement, to the extent and for the period of such force majeure conditions. The party claiming force majeure shall use due diligence to remedy the situation and to remove the cause in adequate manner and with all reasonable dispatch.

10.1 The term "force majeure" as stated in this Agreement shall mean acts of God, strikes, lockouts, or industrial disputes or disturbances, civil disturbances, any pipeline declared force majeure which causes a curtailment of Firm transportation by transporter(s), acts of public enemy, wars, riots, blockades, insurrections, failure of third-party machinery due to accident or breakage, failure of Seller or Purchaser's machinery due to accident or breakage other than due to Seller or Purchaser's, as the case may be, negligence, or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming force majeure. In addition, the failure of production resulting from well freeze-offs which

effect Gas supply in general in the production area from which Seller obtains its Gas supply shall constitute an event of force majeure.

10.2 Seller and Purchaser will provide the names and telephone numbers of individuals employed by Seller and Purchaser who can be reached during non-business hours in case of emergencies, such as, force majeure events, Purchaser's Transporter(s) reporting that Seller's Gas nominated by Purchaser is not being delivered to Purchaser's Point(s) of Receipt stated in Article VI of this Agreement, or similar events. It is understood that Seller may need to make further inquiries of the field and production personnel of Seller's suppliers.

#### ARTICLE XI

##### TITLE AND WARRANTY

11.0 Title to and ownership of all Gas sold hereunder shall pass from Seller to Purchaser at the Point(s) of Receipt.

11.1 Seller warrants that it will have good title to the Gas delivered hereunder. Seller also warrants that such Gas will be free and clear of all liens, encumbrances, and adverse claims whatsoever which would interfere with or make wrongful Purchaser's use of same. Seller shall indemnify, defend and save Purchaser harmless from all suits, actions, damages, costs, losses and expenses arising from or out of liens, encumbrances or adverse claims by any and all persons to natural Gas delivered hereunder or to royalties or to any charges against said natural Gas. In the event that a dispute develops concerning the ownership of any Gas delivered hereunder, Purchaser shall have

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the right to withhold payments attributable to the Gas under dispute until the dispute has been resolved, unless Seller provides Purchaser with sufficient surety.

ARTICLE XII

TAXES AND ROYALTIES

12.0 Seller and Purchaser shall each pay all taxes of every kind as respectively assessed to or levied on each, without right of contribution by the other. Notwithstanding the foregoing, Purchaser shall pay all taxes levied by the state of Ohio, or any subdivision thereof, on transactions under this Agreement. Neither the price to be paid for the natural Gas nor any provision of this Agreement shall be affected by an increase or decrease in the rate or amount of or the repeal of any existing tax imposed on either party, by the enactment of a new tax, or by the subsequent application hereto of any existing tax.

12.1 As between the parties, Seller shall pay or cause to be paid all royalty payments due on the natural Gas sold and delivered under this Agreement and shall indemnify, defend and hold Purchaser harmless from any liability or obligation for the payment of such royalties.

ARTICLE XIII

APPLICABLE LAW AND REGULATIONS

13.0 This Agreement, the construction of this Agreement, all rights and obligations between the parties to this Agreement, and any and all claims arising out of or relating to the subject

matter of this Agreement (including all tort claims), shall be construed and governed under the laws of the state of Ohio.

13.1 This Agreement shall be subject to all valid applicable State, Federal and local laws, rules, and regulations.

ARTICLE XIV

NOTICES

14.0 Written notices to Purchaser shall be addressed as follows:

The Cincinnati Gas & Electric Company  
P. O. Box 960, Rm. \_\_\_\_\_  
Cincinnati, Ohio 45201-0960  
Attention: Manager, Gas Commercial Operations

or

The Cincinnati Gas & Electric Company  
139 E. Fourth Street, Rm. \_\_\_\_\_  
Cincinnati, Ohio 45202-4003  
Attention: Manager, Gas Commercial Operations

— Telephone notices to Purchaser shall be directed to (513) 287-\_\_\_\_\_, or Fax notices to (513) 287-3768. Dispatch notices to Purchaser shall be directed to the above address, Attention: Manager of Gas Control & Technical Services, telephone (513) 287-\_\_\_\_\_.

14.1 Written notices to Seller shall be addressed as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dispatch notices to Seller shall be directed to Gas Control at (\_\_\_\_) \_\_\_\_-\_\_\_\_, at the above address.

Afterhour notices to Seller shall be directed to

\_\_\_\_-\_\_\_\_-\_\_\_\_.

14.2 All notices required by this Agreement shall, if given by telephone, be confirmed in writing as provided herein and sent by registered or certified mail, postage prepaid, addressed to the party at the address set forth in this Agreement or actually delivered by the party giving notice. Either party may change its address for receiving notices effective upon receipt, by written notice to the other party.

ARTICLE XV

TRANSPORTATION IMBALANCES AND OPERATIONAL FLOW ORDERS

15.0 Purchaser and Seller shall be obligated to use their reasonable efforts to avoid imposition of Transporter(s) under or over delivery charges, penalties, cash-out costs, or similar charges for imbalances (collectively "Imbalance Charges"). If during any month Purchaser or Seller receives an invoice from the pipeline that includes any Imbalance Charge, both parties shall be obligated to use their reasonable efforts to determine the validity as well as the cause of such Imbalance Charge. If the parties determine based upon the Transporter(s) records that the Imbalance Charge was imposed as a result of Purchaser's actions (which shall include, but shall not be limited to, Purchaser's failure to accept a daily quantity of Gas equal to Purchaser's nomination of its daily volume requirements), then Purchaser shall pay for such Imbalance Charge. If the parties determine based upon the Transporter(s) records that the Imbalance Charge was imposed as a result of Seller's actions (which shall include, but not be limited to, Seller's failure to deliver a daily

quantity of Gas equal to Purchaser's nomination of its daily volume requirements), then Seller shall pay such Imbalance Charge.

15.1 The parties recognize that Transporter(s) is authorized to issue Operational Flow Orders pursuant to the General Terms and Conditions of its Tariff. The parties also recognize that Transporter(s) may issue an Operational Flow Order that obligates Seller or Purchaser to take action that may be contrary to the terms and conditions of this Agreement including, without limitation, the delivery and taking of Gas in violation of nomination deadlines or in quantities contrary to Purchaser's Initial Nomination or Revised Nomination. In such event, the parties agree that compliance with any duly authorized Operational Flow Order will not be construed to constitute a violation or breach of this Agreement provided that: (i) the party receiving an Operational Flow Order notifies the other party as soon as possible, and (ii) the parties utilize their best efforts to minimize the operational and economic consequences of compliance with the Operational Flow Order by all means at their disposal. This Article XV, Section 15.1, will not apply to the extent an Operational Flow Order is issued to Purchaser or Seller as a result of Purchaser's or Seller's violation of any transportation service agreement with the Transporter(s) issuing the Operational Flow Order.

15.2 In the event either party violates a duly authorized Operational Flow Order and is assessed a penalty or charge as a result of the violation, the penalty or charge will be borne by

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the party whose act or omission caused the assessment of the penalty or charge.

ARTICLE XVI

CORPORATE GUARANTEE

16.0 Seller shall provide a letter, a letter of credit, a corporate guaranty, or other documentation identified by Purchaser, as required by Purchaser in its sole discretion and in the form acceptable and satisfactory to Purchaser from \_\_\_\_\_, guaranteeing the financial performance of \_\_\_\_\_, pursuant to this Agreement.

ARTICLE XVII

PARTIES BOUND AND MISCELLANEOUS

17.0 Purchaser shall be an intended third party beneficiary to any agreement between Seller and any third party regarding the Seller's use of any such third party's owned and operated facility as relates to Seller's responsibilities, duties and obligations hereunder.

17.1 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No assignment of this Agreement, in whole or in part, will be made without the prior written approval of the non-assignee party, except to a subsidiary, affiliate or parent of Purchaser. The written consent to assignment shall not be unreasonably withheld.

17.2 This Agreement constitutes the entire agreement between the parties related to the subject matter hereof and supersedes all prior or contemporaneous understandings, statements or agreements between the parties on such subject matter. Each party acknowledges and agrees that no employee, officer, agent or representative of the other party has the authority to make any representations, statements or promises in addition to or in any way different than those contained in this Agreement, and that it is not entering into this Agreement or transaction in reliance upon any representation, statement or promise of the other party except as expressly stated in this Agreement. Any change, amendment or supplement to this Agreement must be submitted in writing and executed by both parties hereto.

17.3. The provisions of this Agreement are severable, and if any on or more provisions contained herein may be found to be judicially unenforceable, in whole or part, the remaining provisions shall nevertheless be binding and enforceable.

17.4. Each remedy under this Agreement shall be cumulative and in addition to any other remedy provided by law. The failure of either party to insist on strict performance of any provision under this Agreement, or to take advantage of any right hereunder, shall not be construed as a waiver of such provision or right.



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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date first above written.

PURCHASER:

SELLER:

THE CINCINNATI GAS & ELECTRIC CO.

\_\_\_\_\_

By: \_\_\_\_\_  
L. C. Randolph, Jr.

By: \_\_\_\_\_

Title: Vice President,  
Gas Operations

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

WITNESS:

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

**Exhibit "A"**  
**Natural Gas Purchase and Sales Agreement**  
**Between The Cincinnati Gas & Electric Company (Purchaser)**  
**and \_\_\_\_\_ (Seller)**  
**Base and Swing Maximum Daily Quantity (MDQ)**  
**(Gross MMBtu's)**

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Effective 11-01-2002

Pipeline	Month	Base MDQ Gross MMBtu	Swing MDQ Gross MMBtu
Texas Gas - (Zone SL)	November		
	December		
	January		
	February		
	March		
Columbia Gulf Pool LA	November		
	December		
	January		
	February		
	March		
Tennessee - (500 Leg)	November		
	December		
	January		
	February		
	March		

**Note: Volumes are inclusive of Pipeline fuel (%) retentions effective April 1, 2002 and shall represent volumes to be nominated on each pipeline. Volumes may be adjusted up or down should pipeline fuel (%'s) change prior to the November 1, 2002 effective date of this contract.**

**Exhibit "B"**  
**Natural Gas Purchase and Sales Agreement**  
**Between The Cincinnati Gas & Electric Company (Purchaser)**  
**and \_\_\_\_\_ (Seller)**

**Gas Daily Index Price**

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Effective 11-01-2002

**TEXAS GAS TRANSMISSION CORPORATION:**

INDEX = Gas Daily, "DAILY PRICE SURVEY", daily publication of delivery month,  
in the applicable zone as posted below:

Section	Row	Column
Louisiana-Onshore South	Texas Gas SL	Midpoint

**COLUMBIA GULF TRANSMISSION COMPANY:**

INDEX = Gas Daily, "DAILY PRICE SURVEY", daily publication of delivery month,  
in the applicable zone as posted below:

Section	Row	Column
Louisiana-Onshore South	Columbia	Midpoint

**TENNESSEE GAS PIPELINE COMPANY:**

INDEX = Gas Daily, "DAILY PRICE SURVEY", daily publication of delivery month,  
in the applicable zone as posted below:

Section	Row	Column
Louisiana-Onshore South	Tennessee 500 Leg	Midpoint

**Exhibit "C"**  
**Natural Gas Purchase and Sales Agreement**  
**Between The Cincinnati Gas & Electric Company (Purchaser)**  
**and \_\_\_\_\_ (Seller)**

**First of Month Index Price**

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Effective 11-01-2002

**TEXAS GAS TRANSMISSION CORP.:**

INDEX = Inside F.E.R.C.'s Gas Market Report, "PRICES OF SPOT GAS  
DELIVERED TO PIPELINES", first publication of delivery month,  
in the applicable zone as posted below:

Section	Row	Column
Texas Gas Transmission Corp.	Zone SL	Index

**COLUMBIA GULF TRANSMISSION CO.:**

INDEX = Inside F.E.R.C.'s Gas Market Report, "PRICES OF SPOT GAS  
DELIVERED TO PIPELINES", first publication of delivery month,  
in the applicable zone as posted below:

Section	Row	Column
Columbia Gulf Transmission	Louisiana	Index

**TENNESSEE GAS PIPELINE CO.:**

INDEX = Inside F.E.R.C.'s Gas Market Report, "PRICES OF SPOT GAS  
DELIVERED TO PIPELINES", first publication of delivery month,  
in the applicable zone as posted below:

Section	Row	Column
Tennessee Gas Pipeline Co.	500 Leg	Index

**Exhibit "D"**

**To Natural Gas Purchase and Sales Agreement  
Between \_\_\_\_\_ (Seller)  
and The Cincinnati Gas & Electric Company (Purchaser)  
Primary Point(s) of Receipt**

---

**Effective 11-01-2002**

**TEXAS GAS TRANSMISSION CORPORATION:**

<u>Pooling Receipt Point</u>	<u>Meter</u>	<u>Contract</u>	<u>Maximum MMBtu</u>	<u>Minimum MMBtu</u>
Zone SL Pool	3800			
Transok/NGPL				
Inter #2 Custor	9170	5420	8,260	
Transok/NGPL				
Inter #2 Beckham	9171	5420	974	

**COLUMBIA GULF TRANSMISSION:**

<u>Pooling Receipt Point</u>	<u>Meter</u>	<u>Contract</u>	<u>Maximum MMBtu</u>	<u>Minimum MMBtu</u>
Pool	P30-51221			

**TENNESSEE GAS PIPELINE COMPANY:**

<u>Pooling Receipt Point</u>	<u>Meter</u>	<u>Contract</u>	<u>Maximum MMBtu</u>	<u>Minimum MMBtu</u>
500 Leg (Zone 1)	20049			

**Note: The use of Primary wellhead Receipt Points must be upon Mutual consent of the Parties.**

**ASSIGNMENT AND ASSUMPTION  
OF CERTAIN RIGHTS AND OBLIGATIONS**

THIS ASSIGNMENT AND ASSUMPTION OF CERTAIN RIGHTS AND OBLIGATIONS ("Assignment/Assumption") is made effective as of December 1, 2002 ("Effective Date"), by and between \_\_\_\_\_, a \_\_\_\_\_ corporation ("\_\_\_\_"), The Cincinnati Gas & Electric Company, an Ohio corporation ("CG&E" or "Assignor") and Mirant Americas Energy Marketing, LP, a Delaware corporation ("Mirant" or "Assignee").

**ARTICLE 1  
RECITALS**

WHEREAS, CG&E has entered into a certain Natural Gas Purchase and Sales Agreement with \_\_\_\_\_ with an Effective Date of November 1, 2002 ("Agreement"); and

WHEREAS, Said Agreement sets forth the terms and conditions governing the purchase and sale of natural gas between \_\_\_\_\_ and CG&E; and

WHEREAS, pursuant to Article XVII (PARTIES BOUND AND MICELLANEOUS) of the Agreement, CG&E desires to assign all rights, title and interest in the Agreement to Mirant pursuant to this Assignment; and

WHEREAS, upon assignment of the Agreement, Mirant will be responsible for and has agreed to assume all of the obligations and perform all of the duties of CG&E under the Agreement and all outstanding transactions and associated financial obligations entered into pursuant to their terms.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CG&E does hereby grant, bargain, sell, transfer, convey, set over, assign and deliver unto Mirant all rights and duties under the Agreement.

**ARTICLE 2  
LIABILITIES**

2.01 **Assumption of Liabilities.** Subject to the terms of this Assignment/Assumption, Mirant as the Assignee undertakes, assumes, covenants and agrees to pay, perform or discharge, the liabilities or obligations of CG&E in the Agreement ("the Liabilities").

2.02 **Exclusion of Certain Liabilities.** Notwithstanding any provision of this Assignment/Assumption, the Liabilities shall not include any and all liabilities or obligations of CG&E or any predecessor or affiliate of CG&E in respect of claims, actions, suits, proceedings and/or any other types of liabilities or obligations of any nature, relating to or arising from the Agreement, directly or indirectly, on or prior to the Effective Date of this Assignment/Assumption.

**ARTICLE 3  
ASSURANCES AND INDEMNIFICATION**

3.01 **Further Assurances.** Mirant hereby covenants and agrees that it will, at the request of CG&E, execute and deliver all such further documents and instruments of to effect this Assignment/Assumption as shall be necessary and proper to effect the assignment to Mirant of the Agreement and take such further actions as shall be necessary and proper to pay, perform or discharge any and all obligations of CG&E of every kind and nature with respect to the Agreement and to carry out the purpose and intent of this Assignment/Assumption.

3.02 **Indemnification.** CG&E hereby agrees to indemnify and hold Mirant wholly harmless from any and all claims, losses, costs, liabilities or obligations of any nature, including

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but not limited to reasonable attorneys' fees, relating to or arising from the Agreement, directly or indirectly, on or prior to the Effective Date of this Assignment/Assumption.

3.03 Mirant agrees to indemnify, defend and hold CG&E wholly harmless from any and all claims, losses, costs, liabilities, damages, expenses, injuries, including death, or obligations of any nature, including but not limited to reasonable attorneys' fees, relating to or arising from the Agreement or the parties execution of the Agreement, directly or indirectly, after the Effective Date of this Assignment/Assumption.

**ARTICLE 4  
RELEASE OF LIABILITY**

From and after the Effective Date of this Assignment/Assumption, \_\_\_\_\_ agrees to release and forever discharge CG&E from any and all claims, liabilities, costs, obligations or duties under the Agreement between \_\_\_\_\_ and CG&E arising after the Effective Date of this Assignment/Assumption and shall not make or claim, file any action, seek any remedy at law or in equity against CG&E for any damages, injuries, losses, expenses, costs or obligations under or related to the Agreement after the Effective Date hereof.

**ARTICLE 5  
TITLE**

CG&E is the sole beneficial owner of the Agreement free and clear of any liens, encumbrances, adverse claims or options, and CG&E has full right, power and authority to assign the Agreement in the manner provided herein, free and clear of all such liens, encumbrances, adverse claims or options.

**ARTICLE 6  
JURISDICTION**

This Assignment shall be governed by and shall be construed in accordance with the laws of the state of Ohio, excluding any conflict of laws rule or principle that might refer the governance or the construction of this Assignment to the law of another jurisdiction.

**ARTICLE 7  
MISCELLANEOUS**

7.01 **Binding Effect.** This Assignment is binding on and shall inure to the benefit of CG&E and Mirant and their respective successors and assigns.

7.02 **Counterparts.** This Assignment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one assignment.

7.03 **Execution of Document.** Please execute where indicated below acknowledging receipt of this Assignment/Assumption, evidencing consent to this Assignment/Assumption, and to the extent applicable, waiving any prior notice or approval requirement in the Agreement relating to this Assignment/Assumption. Absent receipt of this executed acknowledgement, any party's performance, i.e., the conduct of business and transactions pursuant to the Agreement and/or this Assignment/Assumption subsequent to the Effective Date shall constitute such party's acceptance of this Assignment/Assumption.

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**IN WITNESS WHEREOF**, the duly authorized representative of the parties have executed this Assignment to acknowledge and agree to the succession and conveyance of rights and responsibilities from CG&E to Mirant and accepted by \_\_\_\_\_.

Executed as of the Effective Date first written above.

**THE CINCINNATI GAS & ELECTRIC CO.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**MIRANT AMERICAS ENERGY MARKETING**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**VIA OVERNIGHT MAIL**

February 5, 2003

Mr. Nick Kornuta  
BP Energy Company  
501 West Lake Park Boulevard  
Houston, TX 77079

Dear Nick:

The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Gas Company (jointly called Cinergy) is seeking proposals from various natural gas suppliers to provide firm natural gas deliveries into interstate pipelines that serve Cinergy for the 2003 Summer Season. Cinergy is requesting both base and swing supply for distribution and pipeline storage injection.

The attachments:

- Request for Proposal – Requesting gas Supplier (Seller) to provide firm base and firm swing supply.
- Assignment and Assumption of Certain Rights and Obligations – Please note that Cinergy has an Asset Manager Agreement with Cinergy Marketing & Trading, LP (CM&T) effective until November 1, 2003. Cinergy will assign all CG&E and ULH&P gas supplier contracts for the 2003 Summer Season to CM&T, yet remain financially obligated to the Seller for all volumes of gas delivered by Seller to Cinergy's Asset Manager.

Bids should be sent to Bill Tucker at 139 East Fourth Street, Rm. 1025-A, Cincinnati, OH 45202, no later than **February 21, 2003**.

If you have any questions regarding this Request For Proposal please do not hesitate to give me a call at 513-287-4078, or Bill Tucker at 513-287-1060.

Sincerely,

THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT AND POWER COMPANY  
LAWRENCEBURG GAS COMPANY

James P. Henning  
Manager, Gas Commercial Operations

Attachments

# REQUEST FOR PROPOSAL

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<b>PURCHASER</b>	The Cincinnati Gas & Electric Company (CG&E)
<b>SELLER</b>	
<b>PRODUCT</b>	Firm Base and Swing Natural Gas volumes into interstate pipelines for delivery to city gate and/or pipeline storage injection
<b>TERM</b>	April 1, 2003 through October 31, 2003.
<b>RESERVATION CREDIT</b>	\$0._____ per dekatherm per day of base load on Texas Gas Transmission \$0._____ per dekatherm per day of base load on Columbia Gulf Transmission
<b>COMMODITY PRICE</b>	Base Price: Inside FERC's Gas Market Report, "PRICES OF SPOT GAS DELIVERED TO PIPELINES", first publication of delivery month  Swing Price: <input checked="" type="checkbox"/> Gas Daily Midpoint <input type="checkbox"/> Other _____  Cinergy may direct Seller to enter into price caps, price floors, price collars, fixed basis differentials to NYMEX, or other pricing terms that are mutually agreed upon between Seller and Cinergy.
<b>NOMINATIONS</b>	<i>Please specify any weekend/weekday, daily and intra-day nomination restriction, and notification parameters</i>

## CG&E Requirements

[ volumes stated as dekatherms into pipeline ]

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711
Texas Gas	SL	Firm Swing	0	0	0	0	0	0	0
Columbia Gas	Leach, Ky	Firm Swing	92,000	0	0	0	0	0	28,000

## Seller Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base							
Columbia Gulf	Onshore	Firm Swing							
Texas Gas	SL	Firm Base							
Texas Gas	SL	Firm Swing							
Columbia Gas	Leach, Ky	Firm Swing							

## CONTRACT ASSIGNMENT

CG&E will assign Seller's gas supply agreement with CG&E to Cinergy Marketing & Trading, LP (please see attached letter).

This form must be returned to Cinergy by mail or telefax (513-287-2938) prior to 5:00 p.m. (ECT) 2/21/03.

**CINERGY®**

**ASSIGNMENT AND ASSUMPTION  
OF CERTAIN RIGHTS AND OBLIGATIONS  
AND PARTIAL RELEASE**

THIS ASSIGNMENT AND ASSUMPTION OF CERTAIN RIGHTS AND OBLIGATIONS AND PARTIAL RELEASE ("Assignment/Assumption") is made effective as of \_\_\_\_\_, 2003 ("Effective Date"), by and among \_\_\_\_\_, a \_\_\_\_\_ corporation ("\_\_\_\_\_" or "Supplier"), The Cincinnati Gas & Electric Company, an Ohio corporation ("CG&E" or "Assignor") and Cinergy Marketing & Trading, LP, a Delaware limited partnership ("CM&T" or "Assignee")(individually "Party" and collectively "Parties").

**RECITALS**

**WHEREAS**, CG&E has entered into a certain Natural Gas Purchase and Sales Agreement with \_\_\_\_\_ with an Effective Date of April 1, 2003 ("Agreement"); and

**WHEREAS**, said Agreement sets forth the terms and conditions governing the purchase and sale of natural gas between \_\_\_\_\_ and CG&E; and

**WHEREAS**, pursuant to Article XVII (PARTIES BOUND AND MISCELLANEOUS) of the Agreement, CG&E desires to assign all rights, title and interest in the Agreement to CM&T pursuant to this Assignment/Assumption, except for such rights as are retained by and reserved to CG&E pursuant to Article 1 of this Assignment/Assumption; and

**WHEREAS**, upon assignment of the Agreement, CM&T will be responsible for and has agreed to assume all of the obligations and perform all of the duties of CG&E under the Agreement and all outstanding transactions and associated financial obligations entered into pursuant to their terms, except for the obligations retained and discharged by CG&E pursuant to Article 1 of this Assignment/Assumption; and

**WHEREAS**, Supplier agrees to partially release CG&E from its obligations under the Agreement, to the extent provided in Article 3 of this Assignment/Assumption.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CG&E does hereby grant, bargain, sell, transfer, convey, set over, assign and deliver unto CM&T all rights and duties under the Agreement, except as provided in Article 1 of this Assignment/Assumption.

**ARTICLE 1  
RIGHTS AND OBLIGATIONS**

**1.01 Assignment of Rights.** Subject to the terms of this Assignment/Assumption, CG&E as the Assignor assigns to CM&T all rights, title and interest in the Agreement, except for the following rights, which shall be retained by and reserved to CG&E:

1.01.1 The right to extend the Agreement upon mutual consent with Supplier, pursuant to Article II, Section 2.0 of the Agreement;

**1.02 Assumption of Obligations.** Subject to the terms of this Assignment/Assumption, CM&T as the Assignee undertakes, assumes, covenants and agrees to pay, perform or discharge the liabilities or obligations of CG&E in the Agreement, except for the following obligations, which shall be retained and discharged by CG&E:

1.02.1 The obligation to pay the full amounts for all charges for natural gas supplies, fees, and costs described in Article III of the Agreement, pursuant to the invoicing and payment procedures described in Article VIII of the Agreement.

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- 1.02.2 Any and all liabilities or obligations of CG&E or any predecessor or affiliate of CG&E in respect of claims, actions, suits, proceedings and/or any other types of liabilities or obligations of any nature, relating to or arising from the Agreement, directly or indirectly, with respect to obligations incurred prior to the Effective Date of this Assignment/Assumption.

## **ARTICLE 2**

### **ASSURANCES AND INDEMNIFICATION**

2.01 **Further Assurances.** CM&T hereby covenants and agrees that it will, at the request of CG&E, execute and deliver all such further documents and instruments as shall be necessary and proper to effect the assignment to CM&T of the Agreement and take such further actions as shall be necessary and proper to pay, perform or discharge any and all obligations of CG&E of every kind and nature with respect to the Agreement, and to carry out the purpose and intent of this Assignment/Assumption.

2.02 **Indemnification by CG&E.** CG&E hereby agrees to indemnify and hold CM&T wholly harmless from any and all claims, losses, costs, liabilities or obligations, including but not limited to reasonable attorneys' fees, relating to or arising from the Agreement, directly or indirectly, with respect to obligations incurred prior to the Effective Date of this Assignment/Assumption, and relating to the obligations retained by CG&E after such Effective Date pursuant to Article 1, Section 1.02.1 of this Assignment/Assumption.

2.03 **Indemnification by CM&T.** CM&T agrees to indemnify, defend and hold CG&E wholly harmless from any and all claims, losses, costs, liabilities, damages, expenses, injuries, including death, or obligations of any nature, including but not limited to reasonable attorneys' fees, relating to or arising from the Agreement or the parties' execution of the Agreement, directly or indirectly, with respect to obligations incurred after the Effective Date of this Assignment/Assumption, except with respect to the obligations retained by CG&E pursuant to Article 1, Section 1.02.1 of this Assignment/Assumption.

## **ARTICLE 3**

### **PARTIAL RELEASE OF LIABILITY**

From and after the Effective Date of this Assignment/Assumption, Supplier agrees to release and forever discharge CG&E from any and all claims, liabilities, costs, obligations or duties under the Agreement between Supplier and CG&E arising after the Effective Date of this Assignment/Assumption, except with respect to the obligations retained by CG&E pursuant to Article 1, Sections 1.02.1 and 1.02.2 of this Assignment/Assumption, and shall not make any claim, file any action, or seek any remedy at law or in equity against CG&E for any damages, injuries, losses, expenses, costs or obligations under or related to the Agreement with respect to obligations incurred after the Effective Date of this Assignment/Assumption, except with respect to the obligations retained by CG&E pursuant to Article 1, Sections 1.02.1 and 1.02.2 of this Assignment/Assumption.

## **ARTICLE 4**

### **TITLE**

CG&E is the sole beneficial owner of the Agreement free and clear of any liens, encumbrances, adverse claims or options, and CG&E has full right, power and authority to assign the Agreement in the manner provided herein, free and clear of all such liens, encumbrances, adverse claims or options.

## **ARTICLE 5**

### **GOVERNING LAW**

This Assignment/Assumption shall be governed by and shall be construed in accordance with the laws under the state of Ohio, excluding any conflict of laws rule or principle that might refer the governance or the construction of this Assignment/Assumption to the law of another jurisdiction.

## ARTICLE 6 NOTICES

Notices by Supplier to CG&E in connection with the rights and obligations retained by CG&E under Article 1 of this Assignment/Assumption shall be addressed and/or directed as provided in Article XIV, Section 14.0 of the Agreement. Notices by Supplier to CM&T in connection with the rights assigned to CM&T and the obligations assumed by CM&T under Article 1 of this Assignment/Assumption shall be subject to the provisions of Article XIV, Section 14.2 of the Agreement, and shall be addressed and/or directed as follows:

Written notices:

Cinergy Marketing & Trading, LP  
Attention: Contract Administration  
1100 Louisiana  
Suite 4900  
Houston, Texas 77002

Telephone notices: (713) 393-6813

Fax notices: (713) 890-3129

## ARTICLE 7 MISCELLANEOUS

**7.01 Binding Effect.** This Assignment/Assumption is binding on and shall inure to the benefit of CG&E, CM&T, and Supplier and their respective successors and assigns.

**7.02 Counterparts.** This Assignment/Assumption may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one assignment and assumption.

**7.03 Execution of Document.** Please execute where indicated below acknowledging receipt of this Assignment/Assumption, evidencing consent to this Assignment/Assumption, and to the extent applicable, waiving any prior notice or approval requirement in the Agreement relating to this Assignment/Assumption. Absent receipt of this executed acknowledgement, any Party's performance, i.e., the conduct of business and transactions pursuant to the Agreement and/or this Assignment/Assumption subsequent to the Effective Date shall constitute such Party's acceptance of this Assignment/Assumption. The undersigned acknowledge that they have been authorized to execute this document on behalf of their company.

**7.04 Full Agreement/Amendment.** This Assignment/Assumption constitutes the full agreement of the Parties with respect to the matters covered in the Assignment/Assumption. No amendment to or modification of this Assignment/Assumption shall be valid unless in writing and signed by the Parties.

**IN WITNESS WHEREOF**, the duly authorized representatives of the Parties have executed this Assignment/Assumption to acknowledge and agree to the succession and conveyance of rights and responsibilities from CG&E to CM&T.

Executed as of the Effective Date first written above.

**THE CINCINNATI GAS & ELECTRIC CO.**

Signature: \_\_\_\_\_

Printed Name: James P. Henning

Title: Manager, Gas Commercial Operations

Date: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CINERGY MARKETING & TRADING, LP**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Kern, Jeff L.

From: Lawson, Tom  
To: Thursday, June 21, 2001 6:13 PM  
Kern, Jeff L.  
Subject: FW: 6/21/2001 Reservation Fee refreshed.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

-----Original Message-----

From: Brooks, Brenda [mailto:BBrooks@UtiliCorp.com]  
Sent: Thursday, June 21, 2001 5:39 PM  
To: 'tlawson@cinergy.com'; 'jdirheimer@cinergy.com'  
Subject: 6/21/2001 Reservation Fee refreshed.

Tom,

Sorry for the delay. We are discussing how we want to handle weekends this year. I will talk to you tomorrow about our thoughts. The reservation fees are indicative until the volume and the location are defined.

Product: Firm Baseload, no swing  
Location: Columbia Gulf - Onshore  
Volume: 50,000 dth/d  
Reservation Fee: \$0.02  
Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: Texas Gas - Zone SL  
Volume: 50,000 dth/day  
Reservation Fee: \$0.0175  
Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: TGP Zone 0  
Volume: 50,000 dth/day  
Reservation Fee: \$0.0175  
Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: TGP Zone 1  
Volume: 50,000 dth/day  
Reservation Fee: \$0.0175  
Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price

or average the NYMEX over a period. The basis may be negotiated or go to settlement.

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Cincinnati Gas & Electric Co.  
Mr. Jim Dirheimer  
Fax # (606) 372-5772

July 9, 2001

Dear Jim,

Dynegy would like to extend the following baseload offers for the upcoming 2001 - 2002 winter season at an Inside Perc index plus reservation:

Location	Reservation
Tenn 500L zone L	.0125
Tenn 100L zone 0	.015
TGT zone SL	.015
Col. Gulf LA	.0125
ANR SE	.0125

Intra-day flexibility: On a keep-whole basis to DMT on an "as occurs" basis, but within pipeline tariff parameters.

I hope we can continue to serve CG&E and ULH&P gas supply needs this upcoming winter. Please call me if you have any questions.

Sincerely,

  
Kristy Bidmer  
Northeast Trading

TML,

① AS LAST YEAR - SWING GAS DAILY VOLUMES WOULD BE A \$0.015 PER DTH - NO RES. FEE

② KRISTY DIDN'T IDENTIFY SWING RESERVATIONS FEES PER SAY - BUT SAID UNWANTED KEEP-WHOLE VOLUMES WOULD BE REPURCHASED AT GAS DAILY. MAY NEED TO DISCUSS



Fax Transmittal

DATE: 7-<sup>20</sup>~~17~~-01

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TO: Jim Dirheimer

COMPANY: CG+E

FAX: 513-287-3768

Number of pages including cover sheet: 84

If you have any trouble receiving the above specified pages, please contact:

SENDER: John Ripple

TELEPHONE: 281-863-7153 FAX: (281) 863-7147

COMMENTS / INSTRUCTIONS:

Winter Supply Proposal  
Revised

CONFIDENTIALITY NOTICE: This message is intended only for the use of the individual or entity designated above, is confidential and may contain information that is legally privileged or exempt from disclosure under applicable law. You are hereby notified that any dissemination, distribution, copying or use of or reliance upon the information contained in and transmitted with this facsimile transmission by or to anyone other than the recipient designated above by the sender is not authorized and strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return it to the sender by U.S. Mail, or destroy it if the sender grants authorization. Thank you.



July 20, 2001

Mr. Jim Dirheimer  
Cincinnati Gas & Electric Company  
139 E. Fourth Street, Room 460-A  
Cincinnati, OH 45201

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Dear Jim:

REVISED

Thank you for allowing Anadarko Energy Services Company ("Anadarko") the opportunity to submit a proposal to provide winter natural gas to Cincinnati Gas & Electric Company (CG&E). Shown below are the specific parameters of the proposal.

**Transaction Parameters:**

**Pipeline:** Texas Gas Transmission Company (TGT)

**Delivery Point(s):** Zone SL & Z1

**Term:** November 1, 2001 through March 31, 2002.

**Price (Index):** The commodity price (Index) will be the Inside FERC's Gas Market Report for Texas Gas, Zone SL or Zone 1 and (GD Index) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for either Louisiana-Onshore South, Texas Gas SL or East Texas-North Louisiana Area, Texas Gas (entire Z 1) plus the appropriate amount for the services listed below.

**Volume and Price:**

Monthly -	Zone SL	Zone 1
<b>Baseload Supply:</b>		
Maximum Daily Quantity:	40,000 MMBtu/d	20,000 MMBtu/d
Price:	Index plus \$.005.	Index plus \$.005
<b>Keep Whole Swing:</b>		
Minimum Daily Quantity:	0 MMBtu/d	0 MMBtu/d
Maximum Daily Quantity:	20,000 MMBtu/d	10,000 MMBtu/d
Price:	Index	Index
Reservation Fee:	\$.0075	\$.0075

The total MDQ for the pipeline is 40,000 MMBtu/d and 20,000 MMBtu/d respectively.

**Transaction Parameters:**

**Pipeline:** ANR Pipeline Company (ANR)

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TRADE SECRET

**Delivery Point(s):** Southeast Pool, Gathered

**Term:** November 1, 2001 through March 31, 2002.

**Price (Index):** The commodity price (**Index**) will be the Inside FERC's Gas Market Report for ANR, Louisiana and (**GD Index**) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, ANR plus the appropriate amount for the services listed below.

**Volume and Price:**

Monthly -

*Baseload Supply:*

Maximum Daily Quantity: 40,000 MMBtu/d  
Price: Index plus \$.005.

*Keep Whole Swing:*

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 30,000 MMBtu/d  
Price: Index  
Reservation Fee: \$.0075

The total MDQ for the pipeline is 40,000 MMBtu/d.

**Transaction Parameters:**

**Pipeline:** Columbia Gulf Transmission Company (Columbia Gulf)

**Delivery Point(s):** Onshore Pool

**Term:** November 1, 2001 through March 31, 2002.

**Price (Index):** The commodity price (**Index**) will be the Inside FERC's Gas Market Report for Columbia Gulf, Louisiana and (**GD Index**) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, Columbia Gulf plus the appropriate amount for the services listed below.

**Volume and Price:**

Monthly -

*Baseload Supply:*

Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index plus \$.005.

*Keep Whole Swing:*

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index  
Reservation Fee: \$.0075

The total MDQ on this pipeline is 20,000 MMBTU/d.

**Transaction Parameters:**

**Pipeline:** ANR and/or Texas Gas (Weekend Swings)

**Delivery Point(s):** Same as Above

**Term:** November 1, 2001 through March 31, 2002.

**Price (Index):** The commodity price differential for Weekend Flow will be the (GD Index) Gas Daily under the Daily Price Survey section, Midpoint price, for Louisiana-Onshore South, for the appropriate pipeline. The differential will be calculated by taking the difference in the GD Index for the actual flow date (Sat. Sun. & Mon.) and The GD Index for the following flow date (Tues.). If CG&E gives gas back the value difference will be zero or negative and if CG&E calls gas the price differential will be zero to positive. This calculation represents the value difference for either replacing or disposing of the weekend swing gas.

**Volume and Price:**

Monthly -

*Swing Supply:*

Maximum Daily Quantity: 20,000 MMBtu/d

Price: GD Index Differential plus 2% of Weekend GD Index.

**Swing Supply:** CG&E must provide nomination notice to Anadarko by 8:30 AM (Central Time) for next day flow (for gas flow Tuesday through Friday); by 8:30 AM (Central Time) Friday for weekend swings (for gas flow on Saturday, Sunday, or Monday); and by 8:30 AM (Central Time) on the last business day prior to any national holiday for gas flow on said holiday. Note, at such time as the nomination has been placed, the daily quantity shall be considered fixed and not changed until the next nomination period. Also, CG&E's nomination for weekend volumes must be same for each weekend day.

**This proposal is contingent on Anadarko' management approval and execution of a mutually acceptable Gas Sales Agreement and Purchase Order.**

Once again we greatly appreciate the opportunity to submit this proposal for your consideration. I look forward to working with you on this project. Please call me at (281) 863-7153 or Steve Wilburn at (281) 863-7171 if you have any questions or need additional information.

Sincerely,



John W. Ripple  
Manager, Market Development

June 22, 2001

Tom,

As we discussed this morning the baseload reservation fee and the swing reservation fee will be the same. Please note that the commodity price for volumes changed on the weekend will be priced in accordance to the contract and weekend/holiday nominations must be ratable. The prices quoted are indicative until agreement is made on the location, volume and service.

**Product: Firm Baseload**

Location: **Columbia Gulf - Onshore**

Volume: 134,105 dth/d

Reservation Fee: \$0.02

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: **Texas Gas - Zone SL**

Volume: 75,378 dth/day

Reservation Fee: \$0.0175

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: **ANR SE**

Volume: 18,000 dth/day

Reservation Fee: \$0.0175

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: **TGP Zone 1**

Volume: 82,340 dth/day

Reservation Fee: \$0.0175

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Product: Firm Swing**

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Location: **Columbia Gulf - Onshore**

Volume: 134,105 dth/d

Reservation Fee: \$0.02

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Keepwhole: Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

Nominations: Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.

Weekend Commodity Price:

If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

Location: **Texas Gas - Zone SL**

Volume: 75,378 dth/day

Reservation Fee: \$0.0175

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

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Location: **ANR SE**

Volume: 18,000 dth/day

Reservation Fee: \$0.0175

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

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**Location: TGP Zone 1**

**Volume: 82,340 dth/day**

**Reservation Fee: \$0.0175**

**Commodity:** a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Keepwhole:** Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

**Nominations:** Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.

**Weekend Commodity Price:**

If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.



Kern, Jeff L.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

From: Lawson, Tom  
To: Monday, June 25, 2001 10:12 AM  
Kern, Jeff L.  
Subject: FW: Winter Supply Deal Revised

fyi

-----Original Message-----

From: Perrotta, Lou [mailto:lou.perrotta@mirant.com]  
Sent: Monday, June 25, 2001 10:04 AM  
To: Perrotta, Lou; 'jdirheimer@cinergy.com'; 'tlawson@cinergy.com'  
Cc: Delay, Tim  
Subject: RE: Winter Supply Deal Revised

Jim/Tom:

Here is the revised pricing as we discussed on Friday:

- \* There will be no fee charged for purchasing the NYMEX settle price
- \* Reservation fees will be \$.0175 for all baseload and swing volumes for all pipes (TGT, TGP, ANR, CGT)
- \* For any volumes purchased using the averaging method Cinergy will pay The Nov-Mar strip settle for price each day that the settle is posted (84 days by my calculation) from July 1 through October 29
- \* We would be happy to provide a report weekly or monthly recording the Nov-Mar settle price and volume purchased by Cinergy
- \* Jim: let me know if you are on board with Cinergy purchasing 5,394 Dth/day of the Nov-Mar strip (calculation as follows)
  - 15,000 Dth/day Nov-Mar is required by Cinergy, which = 2,265,000
  - al Dth
  - 2,265,000 Dth / 10,000 = 226.5 NYMEX contracts needed by Cinergy
  - 226.5 / 84 business days from July 1 - October 29 = 2.696 contracts needed per day
  - 2.696 / 5 months of Nov-Mar strip = .5393 Nov-Mar strip contracts needed per day
  - .5393 contracts = 5393 Dth/day of Nov-Mar strip needed by Cinergy each day to equal 15,000 Dth/day in Nov-Mar

If you have any questions please give me a call,

Thanks,  
Lou

> -----Original Message-----

> From: Perrotta, Lou  
> Sent: Wednesday, June 20, 2001 3:07 PM  
> To: 'jdirheimer@cinergy.com'; 'tlawson@cinergy.com'  
> Cc: Delay, Tim  
> Subject: Winter Supply Deal

> Jim/ Tom,

> Here is the info you need:

> Reservation fees:

	Base	Swing
> ANR	.0175	.0175
> TGT	.0175	.0175
> TGP	.0175	.0175

> CGT .0175 .0175  
>  
> \* For any volumes purchased using the averaging method Cinergy will  
> pay The Nov-Mar stip settle for price each day that the settle is posted  
> (84 days by my calculation) from July 1 through October 29 +\$.01.  
  
> Thanks,  
> Lou

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Dirheimer, Jim

---

**From:** Perrotta, Lou [lou.perrotta@mirant.com]  
**nt:** Monday, July 23, 2001 3:04 PM  
'jdirheimer@Cinergy.com'  
Delay, Tim  
**Subject:** Revised Res Fee's

Jim,

Here are the revised reservation fee's that we just talked about on the phone.

Baseload:

- \* TGP = .0075
- \* CGT = .0075
- \* TGT = .0075
- \* ANR = .01

Swing:

- \* All pipes = .01

Thanks,  
Lou

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

July 25, 2001 REVISED

Tom,

As we discussed this morning the baseload reservation fee and the swing reservation fee will be the same. Please note that the commodity price for volumes changed on the weekend will be priced in accordance to the contract and weekend/holiday nominations must be ratable. The prices quoted are indicative until agreement is made on the location, volume and service.

**Product: Firm Baseload, no swing**

**Location: Columbia Gulf - Onshore**

Volume: 50,000 dth/d

Reservation Fee: \$0.01

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Location: Texas Gas - Zone SL**

Volume: 50,000 dth/day

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Location: TGP Zone 0**

Volume: 50,000 dth/day

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Location: TGP Zone 1**

Volume: 50,000 dth/day

Reservation Fee: \$0.0175 12,500dth/day

Reservation Fee: \$0.0125 any new volumes

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Product: Firm Baseload, with swing**

**Location: Columbia Gulf - Onshore**

**Volume: 20,000 dth/d**

**Reservation Fee: \$0.0125**

**Commodity:** a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Keepwhole:** Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

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**Weekend Commodity Price:**

If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

**Location: Texas Gas - Zone SL**

**Volume: 20,000 dth/day**

**Reservation Fee: \$0.0125**

**Commodity:** a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

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If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

**Location: TGP Zone 0**

**Volume: 30,000 dth/day**

**Reservation Fee: \$0.0125**

**Commodity:** a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

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TRADE SECRET

- Keepwhole:** Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.
- Nominations:** Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.
- Weekend Commodity Price:**  
If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

**Location: TGP Zone 1**

**Volume:** 20,000 dth/day

**Reservation Fee:** \$0.0125

**Commodity:** a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Keepwhole:** Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

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If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.



July 17, 2001

Mr. Jim Dirheimer  
Cincinnati Gas & Electric Company  
139 E. Fourth Street, Room 460-A  
Cincinnati, OH 45201

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Dear Jim:

Thank you for allowing Anadarko Energy Services Company ("Anadarko") the opportunity to submit a proposal to provide winter natural gas to Cincinnati Gas & Electric Company (CG&E). Shown below are the specific parameters of the proposal.

**Transaction Parameters:**

**Pipeline:** Texas Gas Transmission Company (TGT)

**Delivery Point(s):** Zone SL & Z1

**Term:** November 1, 2001 through March 31, 2002.

**Price (Index):** The commodity price (**Index**) will be the Inside FERC's Gas Market Report for Texas Gas, Zone SL or Zone 1 and (**GD Index**) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for either Louisiana-Onshore South, Texas Gas SL or East Texas-North Louisiana Area, Texas Gas (entire Z 1) plus the appropriate amount for the services listed below.

**Volume and Price:**

Monthly -	Zone SL	Zone 1
<i>Baseload Supply:</i>		
Maximum Daily Quantity:	40,000 MMBtu/d	20,000 MMBtu/d
Price:	Index plus \$.005.	Index plus \$.005
<i>Take or Release:</i>		
Minimum Daily Quantity:	0 MMBtu/d	0 MMBtu/d
Maximum Daily Quantity:	30,000 MMBtu/d	20,000 MMBtu/d
Price:	Index	Index
Reservation Fee:	\$.0075	\$.0075
<b>Daily -</b>		
<i>Weekdays Supply:</i>		
Minimum Daily Quantity:	0 MMBtu/d	0 MMBtu/d
Maximum Daily Quantity:	20,000 MMBtu/d	20,000 MMBtu/d
Price:	GD Index	GD Index
Reservation Fee:	.01	.01

**Transaction Parameters:****Pipeline:** ANR Pipeline Company (ANR)CONFIDENTIAL PROPRIETARY  
TRADE SECRET**Delivery Point(s):** Southeast Pool, Gathered**Term:** November 1, 2001 through March 31, 2002.**Price (Index):** The commodity price (**Index**) will be the Inside FERC's Gas Market Report for ANR, Louisiana and (**GD Index**) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, ANR plus the appropriate amount for the services listed below.**Volume and Price:****Monthly -***Baseload Supply:*

Maximum Daily Quantity:	40,000 MMBtu/d
Price:	Index plus \$.005.

*Take or Release:*

Minimum Daily Quantity:	0 MMBtu/d
Maximum Daily Quantity:	30,000 MMBtu/d
Price:	Index
Reservation Fee:	\$.0075

**Daily -***Weekdays Supply:*

Minimum Daily Quantity:	0 MMBtu/d
Maximum Daily Quantity:	30,000 MMBtu/d
Price:	GD Index
Reservation Fee:	.01

**Transaction Parameters:****Pipeline:** Columbia Gulf Transmission Company (Columbia Gulf)**Delivery Point(s):** Onshore Pool**Term:** November 1, 2001 through March 31, 2002.**Price (Index):** The commodity price (**Index**) will be the Inside FERC's Gas Market Report for Columbia Gulf, Louisiana and (**GD Index**) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, Columbia Gulf plus the appropriate amount for the services listed below.



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**Volume and Price:**

**Monthly -**

*Baseload Supply:*

Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index plus \$.005.

*Take or Release:*

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index  
Reservation Fee: \$.0075

**Daily -**

*Weekdays Supply:*

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 10,000 MMBtu/d  
Price: GD Index  
Reservation Fee: .01

**Transaction Parameters:**

**Pipeline:** Tennessee Gas Pipeline Company (Tennessee)

**Delivery Point(s):** 500 Leg Pool

**Term:** November 1, 2001 through March 31, 2002.

**Price (Index):** The commodity price (**Index**) will be the Inside FERC's Gas Market Report for Tennessee, Louisiana & Offshore (Zone 1) and (**GD Index**) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, Tennessee, 500 Leg plus the appropriate amount for the services listed below.

**Volume and Price:**

**Monthly -**

*Baseload Supply:*

Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index plus \$.005.

*Take or Release:*

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index  
Reservation Fee: \$.0075

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***Weekdays Supply:*** CG&E must provide nomination notice to Anadarko by 8:30 AM (Central Time) for next day flow (for gas flow Tuesday through Friday); by 8:30 AM (Central Time) Friday for weekend swings (for gas flow on Saturday, Sunday, or Monday); and by 8:30 AM (Central Time) on the last business day prior to any national holiday for gas flow on said holiday. Note, at such time as the nomination has been placed, the daily quantity shall be considered fixed and not changed until the next nomination period. Also, CG&E's nomination for weekend volumes must be same for each weekend day.

**This proposal is contingent on Anadarko' management approval and execution of a mutually acceptable Gas Sales Agreement and Purchase Order.**

Once again we greatly appreciate the opportunity to submit this proposal for your consideration. I look forward to working with you on this project. Please call me at (281) 863-7153 or Steve Wilburn at (281) 863-7171 if you have any questions or need additional information.

Sincerely,



John W. Ripple  
Manager, Market Development



Texaco Natural Gas

P O Box 4700  
Houston TX 77210-4700  
1 800 441 TGM  
FAX 713 752 7896

July 12, 2001

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

The Cincinnati Gas & Electric Company  
FAX: 513-287-3768

Attn: Mr. Jim Dirheimer

This is to serve as written confirmation of our agreement to sell natural gas to The Cincinnati Gas & Electric Company under the following conditions:

1. Buyer: The Cincinnati Gas & Electric Company, Union Light Heat and Power Company and Lawrenceburg Gas Company
2. Delivery Period: November 2000 through March 2001
3. Nomination Changes: Baseload Supplies -- None  
Swing Supplies -- Unlimited monthly changes, with keep-whole provision
4. Intra-Day Changes: Two intra-day nomination changes per month, the price associated with the intra-day changes will be the HIGHER of: (a) *Gas Daily* average for the actual flow date, or  
(b) *Gas Daily* average for the following flow date
5. Points of Delivery: Mutually agreeable points on Columbia Gulf, Texas Gas, or Tennessee Gas Pipeline
6. Transportation Pipeline: Columbia Gulf, Texas Gas, or Tennessee Gas Pipeline
7. Reservation Charge: Base/Swing Supplies --  
November through March - \$0.015

Unless otherwise notified within 24 hours, it is mutually agreed the above accurately states the agreement between Buyer and Seller. The above is also subject to a more definitive Gas Sales and Purchase Agreement between the parties.

Texaco Natural Gas truly appreciates your business.

Texaco Natural Gas

William T. Cleneay  
Marketing Manager - Northeast

Cin/7/12/01

Dynegy Marketing and Trade  
1000 Louisiana Street, Suite 5800  
Houston, Texas 77001  
Phone 713.507.6400  
www.dynegy.com

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Cincinnati Gas & Electric Co.  
Mr. Jim Dirheimer  
Fax # (513)287-3768

July 17, 2001



Dear Jim,

Dynegy would like to extend the following baseload offers for the upcoming 2001 – 2002 winter season at an Inside Fero index plus reservation:

Location	Reservation
Tenn 500L zone L	.0125
Tenn 100L zone O	.015
TGT zone SL	.015
Col. Gulf LA	.0125
ANR SE	.0125

Dynegy would also like to offer the following swing packages for the upcoming 2001 – 2002 winter season at Gas Daily average plus premium:

Location	Premium
Tenn 500L zone L	.015
Tenn 100L zone O	.015
TGT zone SL	.015
Col. Gulf LA	.015

Intra-day flexibility, for CG&E/ULH&P: The higher of that day's or the next day's Gas Daily midpoint plus .15, but no more than four times per month.

Intra-day flexibility, for any other asset manager: On a keep-whole basis to DMT on an "as occurs" basis, but within pipeline tariff parameters and no more than four times per month.

I hope we can continue to serve CG&E and ULH&P gas supply needs this upcoming winter. Please call me if you have any questions.

Sincerely,

Kristy Molina

July 19 2001

**VIA FAX: 513-287-3768**

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TRADE SECRET

Mr. Tom Lawson / Mr. Jim Dirheimer  
Cincinnati Gas & Electric Company  
7200 Industrial Road  
Florence, Kentucky 41042

Dear Tom / Jim:

It is disappointing that Noble Gas Marketing, Inc. ("NGM") was not given the chance to provide term supplies for the next winter season. NGM's values for the winter season for gas supply agreement on various pipelines for the winter of 2001 / 2001 for The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company, and Lawrenceburg Gas Company (Cinergy) are indicated below.

**1. Reservation Rates:**

Pipelines - Texas Gas; Columbia Gulf; Tennessee; Panhandle

Base Rate = \$.005 - .01

Swing Rate = \$.005 - .01

**2. Intra-day changes per month - Quantity and Cost**

(Assume this is required for physical reasons and not economic reasons.)

a. Cost = No Charge - Quantity = Best Efforts

b. Cost = No Charge - Quantity = Only limited by pipeline rules - NGM is in control of the transportation to gate the gas required on an intra-day basis. NGM manage the nomination process and passes back the demand charges associated with all the capacity to Cinergy. NGM gets use of capacity at variable cost when Cinergy has not called on the supplies. Open to further discussion on possible sharing of capacity options and values.

**3. Hedged Supply - Record**

Pipeline - Mutually agreeable - Columbia Gulf, Texas Gas, Tennessee, Panhandle

Basis - Mutually agreeable monthly, to include any margin when associated with the summer timeframe.

Transaction Date Activity Month(s)      Vol./day NYMEX Price

**NONE AT THIS TIME**

I enjoy working with the Cinergy Gas Supply team and I hope I have been able to provide information or gas supplies when needed. NGM is very appreciative for the opportunity to bid on your short and long term gas supply requirements and sincerely hope that we can continue to expand our relationship in the years to come. I can be reached in Houston at (281) 876-8817. My facsimile number is (281) 876-8845. My E-Mail Address is [wkeim@noblegas.com](mailto:wkeim@noblegas.com)

Cordially,

**NOBLE GAS MARKETING, INC.**



Wallace E. Keim  
Director of Marketing

July 25, 2001 REVISED

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TRADE SECRET

Tom,

As we discussed this morning the baseload reservation fee and the swing reservation fee will be the same. Please note that the commodity price for volumes changed on the weekend will be priced in accordance to the contract and weekend/holiday nominations must be ratable. The prices quoted are indicative until agreement is made on the location, volume and service.

**Product: Firm Baseload, no swing**

Location: **Columbia Gulf - Onshore**

Volume: 50,000 dth/d

Reservation Fee: \$0.01

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: **Texas Gas - Zone SL**

Volume: 50,000 dth/day

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: **TGP Zone 0**

Volume: 50,000 dth/day

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Location: **TGP Zone 1**

Volume: 50,000 dth/day

Reservation Fee: \$0.0175 12,500dth/day

Reservation Fee: \$0.0125 any new volumes

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Product: Firm Baseload, with swing**

Location: **Columbia Gulf - Onshore**

Volume: 20,000 dth/d

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Keepwhole: Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

Nominations: Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.

Weekend Commodity Price:

If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

Location: **Texas Gas - Zone SL**

Volume: 20,000 dth/day

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

Keepwhole: Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

Nominations: Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.

Weekend Commodity Price:

If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

Location: **TGP Zone 0**

Volume: 30,000 dth/day

Reservation Fee: \$0.0125

Commodity: a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.

b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

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**Keepwhole:** Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

**Nominations:** Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.

**Weekend Commodity Price:**  
If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.

**Location: TGP Zone 1**

**Volume: 20,000 dth/day**

**Reservation Fee: \$0.0125**

**Commodity:** a) IF FOM flat or customer may elect to convert to Gas Daily. Cost to convert to Gas Daily is either \$0.0025 added to the reservation fee or it can be negotiated when elected.  
b) NYMEX trigger plus basis. Buyer may choose a fixed price or average the NYMEX over a period. The basis may be negotiated or go to settlement.

**Keepwhole:** Buyer will reimburse Seller the difference, if any, between the Commodity price to be paid by the Buyer, and the price received in the market for volumes turned back to Seller.

**Nominations:** Buyer must notify Seller no later than two hours prior to the transporter's nomination deadline applicable to the day on which the nomination is to be implemented. Weekend/Holiday nominations must be ratable.

**Weekend Commodity Price:**  
If Buyer reduces the nomination on the weekend and Seller resells gas at a price below the Buyer's Commodity price, Buyer shall reimburse Seller for the difference. If Buyer increases the nomination on the weekend, Buyer shall pay the difference between the Buyer's Commodity price and the Market price. Seller will quote these prices to Buyer prior to the nomination deadline.



Dirheimer, Jim

**From:** Perrotta, Lou [lou.perrotta@mirant.com]  
**t:** Monday, July 23, 2001 3:04 PM  
**cc:** 'jdirheimer@Cinergy.com'  
**Subject:** Delay, Tim  
Revised Res Fee's

Jim,

Here are the revised reservation fee's that we just talked about on the phone.

Baseload:

\* TGP = .0075  
\* CGT = .0075  
\* TGT = .0075  
\* ANR = .01

Swing:

\* All pipes = .01

Thanks,  
Lou

**Lawson, Tom**

---

**From:** Bob Poston [RDPoston@duke-energy.com]  
**t:** Thursday, August 01, 2002 12:30 PM  
Lawson, Tom  
Rick Schrimsher  
**Subject:** DETM RFP Response

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CG&E Winter 2002  
Supply RFP.do...

Tom,

Please see the revised attached proposal. Please call me with any questions.

(See attached file: CG&E Winter 2002 Supply RFP.doc)

Bob Poston  
(713) 989-0706  
(713) 989-0489 Fax  
(713) 204-7936 Cell  
rdposton@duke-energy.com



# Mobil

August 1, 2002

Jim Henning  
Manager, Gas Commercial Operations  
Cincinnati Gas & Electric  
139 East Fourth Street  
Cincinnati, OH 45201

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**Re: REQUEST FOR PROPOSALS – Winter 2002 Gas Supply-REVISED**

Dear Jim:

Duke Energy Trading and Marketing, L.L.C. (DETM) is pleased to provide you with this proposal to provide Firm Gas Supply to CG&E. The following Proposal includes indicative pricing for the terms requested.

DETM is the energy trading and marketing arm of Duke Energy and serves as the exclusive marketer for the domestic natural gas production of Mobil Corporation, Union Pacific and Ocean Energy. On a daily basis DETM is responsible for marketing over 12BCF of natural gas throughout the United States and Canada.

Duke Energy is a diversified multinational energy company with an integrated network of energy assets and expertise. The company manages a dynamic portfolio of natural gas and electric supply, delivery and trading businesses – meeting the energy need of customers throughout North America and in key markets around the world. A Fortune 100 company with over 60 Billion dollars in assets, Duke Energy has received industry recognition such as, Energy Company of the Year at the 2001 Financial Times Global Energy Awards and Fortune's 2002 Most Admired Energy Company.

I appreciate the opportunity to earn the business of CG&E and look forward to hearing your favorable response. Please direct your comments or questions to me at (713) 989-1712.

Sincerely,

A handwritten signature in cursive script that reads 'Bob Poston'.

Bob Poston  
Sr. Originator, NE

Cc: Alan Taylor, Kyle Hamrick

**Notification:**

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Daily Swing

Supply notification by 8:15 AM CST the day prior to flow

**Primary Delivery:** This proposal is contingent upon the Buyer accepting the primary delivery points designated by DETM prior to contract execution

**Trigger:** DETM will provide to CG&E the right to convert the Index price to a Fixed price using the New York Mercantile Exchange contingent upon satisfactory credit assurances required by DETM.

**Conditions:** **This offer is contingent upon the satisfaction of both parties in respect to credit and contracting. DETM will require security in the form of a parent guarantee or line of credit from the appropriate counter-party. This offer is indicative only and is subject to revision based on market conditions.**

**(Please see paragraph below)**

*The terms of this proposal are: (i) non-binding between the Parties; (ii) indicative of what DETM believes are current market conditions; and (iii) do not obligate either party to enter into a transaction with the other party on these or any other terms. Neither Party shall make any public representations or announcements relating to the terms contained herein or any other terms discussed by the Parties without the prior written approval of the other Party. The obligations of CG&E and DETM to consummate the transactions contemplated herein are subject solely to DETM obtaining the appropriate approval of its management, if necessary, the establishment of acceptable credit terms and the Parties agreeing to enter into a mutually acceptable written agreement by November 1, 2002, or such later date as the Parties may agree.*

**Duke Energy Trading and Marketing, L.L.C. (DETM)**  
**Firm Gas Supply for**  
**CG&E**

**Supply Type:** Firm Base and Firm Swing

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**Term:** November 1, 2002 through March 31, 2003

**Location:** TGP 500 Leg Pool  
TGT Zone SL Pool  
CGT Onshore Pool

**Price(s):**

**TGP BASELOAD**

*Inside FERC First of the Month LA 500 Leg Index minus \$.0025*

Daily Volumes: Nov02 = 9,000  
Dec02 = 13,000  
Jan03 = 13,000  
Feb03 = 13,000  
Mar03 = 9,000

**TGP SWING**

Monthly Swing MDQ to be priced at *Inside FERC First of the Month LA 500 Leg Index "FLAT"* plus a Monthly Demand Fee of \$.01/Dth. Should Buyer take less than the Monthly Swing MDQ, DETM will be kept whole on the volume difference at a price of TGP LA Gas Daily-Daily "Midpoint".

*Note: for TGP gas we can deliver up to 25,000/d base and swing combined of point gas, anything more than that will be pool gas*

## TGT BASELOAD

*Inside FERC First of the Month Zone SL Index minus \$.0025*

Daily Volumes:      Nov02 = 27,650  
                         Dec02 = 27,910  
                         Jan03 = 28,310  
                         Feb03 = 28,310  
                         Mar03 = 27,920

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## TGT SWING

Monthly Swing MDQ to be priced at *Inside FERC First of the Month Zone SL Index "FLAT"* plus a **Monthly Demand Fee** of \$.01/Dth for the first 25,000 Dth, \$.0125/Dth for the next 25,000 Dth, and \$.015/Dth for all remaining Dth. Should Buyer take less than the Monthly Swing MDQ, DETM will be kept whole on the volume difference at a price of **TGT Zone SL Gas Daily-Daily "Midpoint"**.

## CGT BASELOAD

*Inside FERC First of the Month Onshore Index minus \$0.0025*

Daily Volumes:      Nov02 = 38,304  
                         Dec02 = 75,007  
                         Jan03 = 104,305  
                         Feb03 = 77,030  
                         Mar03 = 59,376

## CGT SWING

Monthly Swing MDQ to be priced at *Inside FERC First of the Month CGT Onshore Index "FLAT"* plus a **Monthly Demand Fee** of \$.01/Dth for the first 25,000 Dth, \$.0125/Dth for the next 25,000 Dth, and \$.015/Dth for all remaining Dth. Should Buyer take less than the Monthly Swing MDQ, DETM will be kept whole on the volume difference at a price of **CGT, LA Gas Daily-Daily "Midpoint"**.

**Lawson, Tom**

---

**From:** Kornuta, Nick J [kornutnj@bp.com]  
**t:** Friday, August 02, 2002 9:21 AM  
**Subject:** Lawson, Tom  
Change to pricing in Winter Supply

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Tom,

This note is just to confirm that subject to BP and Mirant agreeing to the necessary credit requirements for assignment, and subject to the parties executing contract documents satisfactory to all parties, that the parties have agreed to slightly modified pricing for the winter supplies as follows:

For Columbia Gulf, Onshore:

Volume by month	Nov	Dec	Jan	Feb
Mar	Res Fee	Price		
Firm Base	2,000	16,000		16,000
16,000	8,000	.0025	I FERC flat	
Firm w/ GDA "keepwhole"	30,000		15,000	7,000
15,000	20,000	.005	I FERC flat	

For Texas Gas SL:

Volume by month	Nov	Dec	Jan	Feb
Mar	Res Fee	Price		
Firm Base	6,000	6,000	6,000	
6,000	6,000	.00	I FERC flat less .0025	
Firm w/ GDA "keepwhole"	15,000		15,000	15,000
15,000	15,000	.0025	I FERC flat	
Firm w/ GDA "keepwhole"	3,996	3,996	3,996	
3,996	3,996	.0025	I FERC flat	

~~Will~~ will look for your fax today that confirms the change as well.

Thank you.

Nick Kornuta  
Account Manager - Origination  
BP Energy Company  
off. 281-366-4947  
fax. 281-366-4929  
cell 281-380-0398  
kornutnj@bp.com

Dynegy Marketing and Trade  
1000 Louisiana Street, Suite 5800  
Houston, Texas 77002  
Phone 713.507.6400  
www.dynegy.com

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DYNEGY

July 26, 2002

FACSIMILE NUMBER: 513-287-3768

CINCINNATI GAS & ELECTRIC COMPANY  
139 EAST FOURTH STREET  
ROOM 460A - P. O. BOX 960  
CINCINNATI OH 45201

Re: Changes in Gas Indexes  
Effective July 1, 2002

Dear Sir or Madam:

As you may know, the publishers of Gas Daily (GD) and Inside FERC's Gas Market Report (IF) plan to merge various delivery points and prices. In response to these changes, Dynegy Marketing and Trade (Dynegy) proposes using revised indexes as shown on Exhibit A to this letter.

If you agree with the changes proposed by Dynegy, please indicate your agreement by having a duly authorized officer execute on behalf of your company where provided below. If you do not agree with the changes proposed by Dynegy, please respond in writing with a specific description of the proposed changes with which your company disagrees. If Dynegy does not receive a written response within two weeks of the date of this letter, your silence shall be deemed your acceptance of Dynegy's proposed changes.

Please contact me at 713-767-8203 with any questions you may have. Thank you for your assistance.

Very truly yours,

DYNEGY MARKETING AND TRADE

By: Lance C. Jordan  
Title: Vice President - Energy Trading

AGREED TO AND ACKNOWLEDGED:

CINCINNATI GAS & ELECTRIC COMPANY

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Printed)

Title: \_\_\_\_\_



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EXHIBIT A

Old Index	New Index	Product	Start Date	End Date
IF Transco Zone 6	IF Transco Zone 6 (no deals will default back to this index)	Financial and All Physical	July 2002	October 2002
IF Transco Zone 6	IF Transco Zone 6 New York	Financial and All Physical	November 2002	None
IF Tennessee Louisiana	Average of IF Tenn LA 500 Leg and 800 Leg	Financial	July 2002	None
IF Tennessee Louisiana	IF Tennessee Louisiana, 500 Leg	500 Leg Physical	July 2002	None
IF Tennessee Louisiana	IF Tennessee Louisiana, 800 Leg	800 Leg Physical	July 2002	None
GD Monthly Mich. - Mich. Con.	IF Michigan Consolidated	Financial and All Physical	July 2002	None
GD Monthly Mich. - Consumers Energy	IF Consumers Power	Financial and All Physical	July 2002	None
GD Monthly ANR ML7	IF ANR Pipeline ML7	Financial and All Physical	July 2002	None

Dynegy Marketing and Trade  
1000 Louisiana Street, Suite 5800  
Houston, Texas 77002  
Phone 713.507.6400  
www.dynegy.com

CONFIDENTIAL PROPRIETARY  
TRADE SECRET



July 22, 2002

Mr. Tom Lawson  
Cincinnati Gas & Electric Co.  
Fax # (513)287-3768

Dear Tom,

Dynegy Marketing and Trade is pleased to be considered in the combined Cincinnati Gas & Electric Company's RFP process for gas supply during the November 2002 – March 2003 period.

Dynegy appreciates CG&E and ULH&P's long standing business and wishes to continue the relationship in the future. We feel that we have provided a reliable and cost efficient service, but hope that if there are any concerns that they be addressed with us. We truly value you as a customer.

Also, we will provide all supply firm, but with force majeure language. Non-ratable takes over the five month period at the inside ferc pricing would be at a slightly higher premium.

I have added my own spreadsheet incorporating your locations, volume and pricing mechanisms. I have put in only one "up to" volume in each category, which you can break out between companies. I can no longer show a seven day a week nomination election, since that would allow your asset manager a free call on gas at a fixed price for weekends and holidays, which would be considered an option. We can sell intra-day gas over the weekends and on holidays if needed at a negotiated market price. Please let me know if it any of this is unclear since I have added new provisions, or if you have any other questions.

Once again, thank you for consideration in your RFP process. Also, if you need peaking supplies again this winter, we would like to participate in those bids.

Our bid is meant to be non-binding due to changing market changes until a verbal agreement is made between both parties.

Sincerely,

Kristy Molina  
Northeast Trading

RESERV. RESERV. RESERV.

LOCATION	TYPE	VOLUME	KW	OPTION	GDD M/P	COMMENTS
CGT ONSH	FIRM BASE	20000	0.015	0.300	0.015	normal nomination guidelines
CGT ONSH	FIRM BASE	0	0	0	0	24 hour/7 day week nominations
CGT ONSH	FIRM SWING	20000	0.015*	0	0.015	normal nomination guidelines
CGT ONSH	FIRM SWING	0	0	0	0	24 hour/7 day week nominations
TGT SL	FIRM BASE	20000	0.015	0.300	0.015	normal nomination guidelines
TGT SL	FIRM BASE	0	0	0	0	24 hour/7 day week nominations
TGT SL	FIRM SWING	25000	0.015*	0	0.015	normal nomination guidelines
TGT SL	FIRM SWING	0	0	0	0	24 hour/7 day week nominations
TENN ZL	FIRM BASE	15000	0.015	0.300	0.015	normal nomination guidelines
TENN ZL	FIRM BASE	0	0	0	0	24 hour/7 day week nominations
TENN ZL	FIRM SWING	25000	0.015*	0	0.015	normal nomination guidelines
TENN ZL	FIRM SWING	0	0	0	0	24 hour/7 day week nominations

\*all reservations based on total volume of deal  
whether taken or not

\*\* reservation volume based on rateable volume  
all 5 months for inside ferc pricing

\*\*\* 5 intra-day nominations allowed per month on  
a keep-whole basis

\*\*\*\* normal nomination guidelines means Friday for  
Saturday, Sunday and Monday, and business day  
ahead for holidays

\* Per KERRY ON 7-30-02

# REQUEST FOR PROPOSAL

**PURCHASER:** The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Gas Company (LGCo.)

**SELLER:**

**PRODUCT DESIRED BY PURCHASER:** "Firm Supply"

**TERM:** November 1, 2002 through March 31, 2003.

**COMMODITY PRICE:** Base Price: Inside FERC First of Month Index (KeepWhole or Gas Daily).  
Swing Price: KeepWhole; Inside FERC First of Month Index.  
Option: Lower of Inside FERC First of Month Index or Gas Daily midpoint.  
Gas Daily: Midpoint.

**PURCHASER'S REQUIREMENTS:** Please see attachments.

**NOMINATIONS:** 24 Hr. Notice 7 days a week (including holidays).

**FLEXIBILITY:** Number of intra-day nominations ( ) during the month.  
*Same as previous contract.*

**RESERVATION PRICE:**

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	2002-03 RESERVATION FEE BID		
			KEEPWHOLE \$/DTH	OPTION \$/DTH	GAS DAILY \$/DTH
Columbia Gulf	Onshore	Firm Base	.0125	[ .51 ]	.01
Columbia Gulf	Onshore	Firm Swing	.0125		
Texas Gas	SL	Firm Base	.0125	[ .51 ]	.01
Texas Gas	SL	Firm Swing	.0125		
Tennessee	Zone 1	Firm Base	.0125	[ .51 ]	.01
Tennessee	Zone 1	Firm Swing	.0125		

*Straddle = PWT + call*

**NON PERFORMANCE PENALTY:** Seller - Net Replacement cost including pipeline penalty changes if incurred by Purchaser.  
Purchaser - Reservation charges plus KeepWhole on commodity price if incurred by Seller.

**CONTRACT:** Please see attachment.

**ASSIGNMENT OF CONTRACT:** CG&E and ULH&P will assign Seller's gas supply agreement with CG&E and/or ULH&P to Mirant Americas Energy Marketing, LP. effective November 1, 2002 (please see attachment).

**PURCHASER CONTACTS:** Tom Lawson (513) 287-3219  
Jim Henning (513) 287-4078  
Fax: (513) 287-3693

3

*Louis Kwitko*

*7/22/02*

*Mirant Bid*

*note: Mirant would like to provide the supply for the entire winter loss requirement.*

7/5/2002 9:12 AM

requestforproposal2002-03

TOTAL P.01

# ProLiance<sup>®</sup>

## ENERGY

**FAX**

Two Prestige Place  
Suite 150  
Dayton, OH 45342

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Phone: (937) 312 8690  
Fax: (937) 312 0804

To: JIM HENNING From: JOHN BUCKLEW  
Fax: 513-287-4078 Pages: 2  
Phone: \_\_\_\_\_ Date: 07-22-02  
Re: \_\_\_\_\_ Cc: \_\_\_\_\_

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

TG SL BIO  
FOR 01/01/02 to 03/31/03

RFP dated 07/11/02

Confidentiality Notice: The materials enclosed with this facsimile transmission are private and confidential and are the property of the sender. The information contained in the material is privileged and is intended only for the use of the individual(s) or entities named above. If you are not the intended recipient, be advised that any unauthorized disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this facsimile transmission in error, please immediately notify us by telephone to arrange for return of the forwarded document to us.

## REQUEST FOR PROPOSAL

PURCHASER: The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Gas Company (LGCo.)

SELLER: **PROLIANCE ENERGY**

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

PRODUCT DESIRED BY PURCHASER: "Firm Supply"

TERM: November 1, 2002 through March 31, 2003.

COMMODITY PRICE: Base Price: Inside FERC First of Month Index (KeepWhole or Gas Daily).  
Swing Price: KeepWhole: Inside FERC First of Month Index.  
Option: Lower of Inside FERC First of Month Index or Gas Daily midpoint.  
Gas Daily: Midpoint.

PURCHASER'S REQUIREMENTS: Please see attachments.

NOMINATIONS: 24 Hr. Notice 7 days a week (including holidays).

FLEXIBILITY: Number of Intra-day nominations ( 2 ) during the month.

RESERVATION PRICE:

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	2002-03 RESERVATION FEE BID		
			KEEPWHOLE \$/DTH	OPTION \$/DTH	GAS DAILY \$/DTH
Columbia Gulf	Onshore	Firm Base		---	---
Columbia Gulf	Onshore	Firm Swing			
Texas Gas	SL	Firm Base	250+019	---	---
Texas Gas	SL	Firm Swing	---	---	500+019
Tennessee	Zone 1	Firm Base		---	---
Tennessee	Zone 1	Firm Swing			

NON PERFORMANCE PENALTY: Seller - Net Replacement cost including pipeline penalty changes if incurred by Purchaser.  
Purchaser - Reservation charges plus KeepWhole on commodity price if incurred by Seller.

CONTRACT: Please see attachment.

ASSIGNMENT OF CONTRACT: CG&E and ULH&P will assign Seller's gas supply agreement with CG&E and/or ULH&P to Mirant Americas Energy Marketing, LP, effective November 1, 2002 (please see attachment).

PURCHASER CONTACTS: Tom Lawson (513) 287-3219  
Jim Henning (513) 287-4078  
Fax: (513) 287-8893  
3768

Note: \*All Bids Subject to Credit Approval Contract Approval

John A. Bucklew  
Regional Account Manager

Dayton Office  
First Edge Place  
Suite 1000  
Dayton, Ohio 45342

**ProLiance**  
ENERGY

Tel: 937.312.8698  
Cell: 937.672.6106  
Fax: 937.312.0604  
jbucklew@proliance.com

7/5/2002 9:12 AM

requestforproposal2002-03



# NOBLE GAS MARKETING, INC.

350 GLENBOROUGH, SUITE 180

HOUSTON, TEXAS 77067

PHONE: (281) 876-8800

FAX: (281) 876-8845

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

## FAX COVER SHEET

To: James Henning Date: 7/23/02

Company: Cinergy

Fax Number: (513) 287-3768

From: Brett Hance

Number of pages including cover: 3

Remarks: ☐ Urgent ☐ For your review ☐ Review ASAP ☐ Please comment

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOBLE GAS MARKETING, INC.**

350 Glenborough, Suite 180

Houston, Texas 77067-3299

281-676-0800

July 22, 2002

Cinergy Corp.  
139 East Fourth Street  
Cincinnati, OH 45201-0960

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Attn: Mr. James P. Henning  
Manager, Gas Commercial Operations

Dear Jim:

Attached is Noble Gas Marketing, Inc.'s ("NGM's") proposed terms for Cinergy ("Cinergy's") gas supply needs. Each proposal is subject to the execution of mutually-acceptable contracts.

Our Legal Department is currently reviewing the Natural Gas Purchase and Sales Agreement attached to the RFP and we have the following comments at this time.

- In Section 2.5 A and B we would add "commercially reasonable means" in the determination of the keep-whole amounts for either party.
- We would like to propose further clarification of the definitions of Reservation Fees and Reservation Charges.
- In the event that Cinergy desires the right to trigger a price on the NYMEX, then we will add language regarding Adequate Assurance in the event of financial instability of either party.
- NGM would require mutual agreement by the parties for the provisions in Section 4.2.
- NGM will not reimburse Cinergy for costs associated with the termination of the agreement as provided in Section 5.
- NGM would require the addition of Storms, Storm Warning, Floods, and Hurricanes as specific Force Majeure events.
- NGM would ask for a venue of Texas law.
- NGM has credit requirements that must be satisfied by Mirant before any negotiations could commence.
- NGM reserves the right to further legal review of the proposed contract language.



Cinergy Corp.  
July 22, 2002  
Page 2

NGM will assure reliable service via our owned and controlled equity volume and transportation positions of 550,000 Dth/d and 200,000 Dth/d, respectively. This position is largely located in the Louisiana Gulf Coast. Coupled with NGM's volume and transport position, NGM is prepared to offer you a full accompaniment of financial transaction services such as swaps, futures, and options.

NGM is very appreciative for the opportunity to bid on your long-term gas supply requirements and sincerely hope that we can continue to expand our relationship in the years to come. Thank you for taking the time to review our proposal and we look forward to hearing from you soon. You may contact Mr. Wally Keim at (281) 876-8817 or me at (281) 876-8813. Our fax number is (281) 876-8845.

Sincerely,



James C. Burgess  
Director - Marketing

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

# REQUEST FOR PROPOSAL

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**PURCHASER:** The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Gas Company (LGCo.)

**SELLER:**

**PRODUCT DESIRED BY PURCHASER:** "Firm Supply"

**TERM:** November 1, 2002 through March 31, 2003.

**COMMODITY PRICE:** Base Price: Inside FERC First of Month Index (KeepWhole or Gas Daily).  
Swing Price: KeepWhole: Inside FERC First of Month Index.  
Option: Lower of Inside FERC First of Month Index or Gas Daily midpoint.  
Gas Daily: Midpoint.

**PURCHASER'S REQUIREMENTS:** Please see attachments.

**NOMINATIONS:** 24 Hr. Notice 7 days a week (including holidays). *WEEKEND + Holidays - best efforts*

**FLEXIBILITY:** Number of Intra-day nominations ( ) during the month. *BEST EFFORTS*

**RESERVATION PRICE:**

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	2002-03 RESERVATION FEE BID		
			KEEPWHOLE \$/DTH	OPTION \$/DTH	GAS DAILY \$/DTH
<i>Vol 1</i> Columbia Gulf	Onshore	Firm Base	<i>\$ .01</i>	---	---
Columbia Gulf	Onshore	Firm Swing	<i>\$ .0125</i>	<i>\$ .315</i>	<i>\$ .015</i>
<i>Vol 2</i> Texas Gas	SL	Firm Base	<i>\$ .01</i>	---	---
Texas Gas	SL	Firm Swing	<i>\$ .0125</i>	<i>\$ .315</i>	<i>\$ .015</i>
<i>Vol 3</i> Tennessee	Zone 1	Firm Base	<i>\$ .01</i>	---	---
Tennessee	Zone 1	Firm Swing	<i>\$ .0125</i>	<i>\$ .325</i>	<i>\$ .015</i>

**NON PERFORMANCE PENALTY:** Seller - Net Replacement cost including pipeline penalty changes if incurred by Purchaser.  
Purchaser - Reservation charges plus KeepWhole on commodity price if incurred by Seller.

**CONTRACT:** Please see attachment.

**ASSIGNMENT OF CONTRACT:** CG&E and ULH&P will assign Seller's gas supply agreement with CG&E and/or ULH&P to Mirant Americas Energy Marketing, LP, effective November 1, 2002 (please see attachment).

**PURCHASER CONTACTS:**  
Tom Lawson (513) 287-3218  
Jim Henning (513) 287-4078  
Fax: (513) 287-3603

7/5/2002 9:12 AM

requestforproposal2002-03

**NOBLE GAS MARKETING, INC.**

350 Glenborough, Suite 180

Houston, Texas 77067-3299

281-876-8800

July 22, 2002

Cinergy Corp.  
139 East Fourth Street  
Cincinnati, OH 45201-0960

Attn: Mr. James P. Henning  
Manager, Gas Commercial Operations

Dear Jim:

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- NGM reserves the right to further legal review of the proposed contract language.

Cinergy Corp.  
July 22, 2002  
Page 2

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NGM is very appreciative for the opportunity to bid on your long-term gas supply requirements and sincerely hope that we can continue to expand our relationship in the years to come. Thank you for taking the time to review our proposal and we look forward to hearing from you soon. You may contact Mr. Wally Keim at (281) 876-8817 or me at (281) 876-8813. Our fax number is (281) 876-8845.

Sincerely,

A handwritten signature in cursive script, appearing to read "James C. Burgess".

James C. Burgess  
Director - Marketing

# REQUEST FOR PROPOSAL

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**PURCHASER:** The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Gas Company (LGCo.)

**SELLER:**

**PRODUCT DESIRED BY PURCHASER:** "Firm Supply"

**TERM:** November 1, 2002 through March 31, 2003.

**COMMODITY PRICE:** Base Price: Inside FERC First of Month Index (KeepWhole or Gas Daily).  
Swing Price: KeepWhole: Inside FERC First of Month Index.  
Option: Lower of Inside FERC First of Month Index or Gas Daily midpoint.  
Gas Daily: Midpoint.

**PURCHASER'S REQUIREMENTS:** Please see attachments.

**NOMINATIONS:** 24 Hr. Notice 7 days a week (including holidays).

*WEEKEND + Holidays - best efforts*

**FLEXIBILITY:** Number of Intra-day nominations ( ) during the month.

*BEST EFFORTS*

**RESERVATION PRICE:**

## 2002-03 RESERVATION FEE BID

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	KEEPWHOLE \$/DTH	OPTION \$/DTH	GAS DAILY \$/DTH
<i>20,000/d</i> Columbia Gulf	Onshore	Firm Base	<i>\$ .01</i>	<i>—</i>	<i>—</i>
Columbia Gulf	Onshore	Firm Swing	<i>\$ .0125</i>	<i>\$ .315</i>	<i>\$ .015</i>
<i>30,000/d</i> Texas Gas	SL	Firm Base	<i>\$ .01</i>	<i>—</i>	<i>—</i>
Texas Gas	SL	Firm Swing	<i>\$ .0125</i>	<i>\$ .315</i>	<i>\$ .015</i>
<i>1/2</i> Tennessee	Zone 1	Firm Base	<i>\$ .01</i>	<i>—</i>	<i>—</i>
Tennessee	Zone 1	Firm Swing	<i>\$ .0125</i>	<i>\$ .325</i>	<i>\$ .015</i>

**NON PERFORMANCE PENALTY:** Seller - Net Replacement cost including pipeline penalty charges if incurred by Purchaser.  
Purchaser - Reservation charges plus KeepWhole on commodity price if incurred by Seller.

**CONTRACT:** Please see attachment.

**ASSIGNMENT OF CONTRACT:** CG&E and ULH&P will assign Seller's gas supply agreement with CG&E and/or ULH&P to Mirant Americas Energy Marketing, LP. effective November 1, 2002 (please see attachment).

**PURCHASER CONTACTS:**  
Tom Lawson (513) 287-3219  
Jim Henning (513) 287-4078  
Fax: (513) 287-3693

From: Scott\_Wells@oxy.com  
nt: Friday, July 19, 2002 11:13 AM  
Lawson, Tom  
Subject: Response to RFP for Winter 2002-02 Supplies



Cincinnati.doc

Tom,

In accordance with your request, I am submitting a copy of our proposal to supply Cinergy with your winter supplies on Columbia Gulf, Texas Gas and Tennessee. Pursuant to our conversation, I understand that you need nomination flexibility due to your sensitivity to weather in Cinergy's market area. As mentioned in our proposal, we cannot contractually commit to absolutely making nomination changes during weekends, holidays and intraday; however, I will personally make every effort possible to comply with any requests and will diligently work with our daily traders and schedulers to accommodate your wishes. You can even call me out of bed to work for you to make those changes and I'll do everything I can to get it done.

Please contact me at 713-215-7737 if you have any questions or need further clarification on any part of our offer. I look forward to working with both you and Jim during this coming season.

sincerely,

Scott R. Wells, Marketing & Origination

idental Energy Marketing, Inc.

Greenway Plaza, Suite 2400, Houston, TX 77046

phone: 713-215-7737

fax: 713-215-7486

cell phone: 713-503-9693

Please visit our website at [https://oxyenergy.com/NaturalGas/natural\\_gas.htm](https://oxyenergy.com/NaturalGas/natural_gas.htm) and login to learn more about how to improve your business!

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The information contained in this e-mail and any attachment is to be considered proprietary and confidential and for use of OEMI customers only. If NYMEX quotes are made herein, they are to be considered as indicative of the current market and must be refreshed. This correspondence should be considered as negotiations between the parties and not as an offer or agreement to buy or sell natural gas.

<<>>

CONFIDENTIAL PROPRIETARY  
TRADE SECRET



Occidental Energy Marketing Inc.

Scott R. Wells – Marketing & Origination  
phone: 713-215-7737 fax: 713-215-7486  
cell: 713-503-9693 e-mail: scott\_wells@oxy.com

July 19, 2002

Mr. Tom Lawson  
Cinergy Corp.  
139 East 4th Street  
Room 460-A  
Cincinnati, OH 45202

Dear Tom;

Thank you for the opportunity to prepare a proposal for Cinergy's baseload and swing gas supply requirements for the 2002-03 heating season. Pursuant to your July 11, 2002 RFP, Occidental Energy Marketing, Inc. (OEMI) is pleased to submit offers to meet your requirements. Please note that in accordance with your request, we have included bids for both swing and baseload volume for the season. We recognize the weather sensitivity of your load requirements and we will make every effort to accommodate your requests for nomination changes that might occur during weekends, holidays and intraday; however, we will not contractually obligate ourselves to make changes during such periods. You submitted a Natural Gas Purchase and Sales Agreement to serve as a "starting point to come up with a satisfactory agreement." We will provide comments on the contract after we agree on the gas pricing and other pertinent terms set out below. I understand that Cinergy will assign all of its gas supplier contracts to Mirant Americas Energy Marketing (Mirant). Accordingly, our proposal is subject to Mirant supplying OEMI with adequate credit assurance.

To summarize our proposal, OEMI will charge a monthly Reservation Fee of 1.25¢/DTH for baseload volume priced at Inside F.E.R.C. Gas Market Report flat Index (Index) and 1.75¢/DTH for the right to swing throughout the month. Any swing supplies returned to OEMI during the month will be adjusted for a KeepWhole at the difference between the Index and the Gas Daily Midpoint. For all swing volume not priced at Index, there will be a reservation fee of 1.75¢/DTH for the month for all gas sold at Gas Daily Midpoint. The current option value for Cinergy to buy the lower of Index or Gas Daily is 31¢/DTH for the entire swing volume on all pipelines. Cinergy may fix the price any time during the term of the Agreement up until noon of the last day of the NYMEX settlement. Cinergy may fix GDA pricing during the month of flow at a mutually agreeable price. The specifics of our proposed terms follows:

**TERM:**

November 1, 2002 through March 31, 2003

**VOLUME/PIPELINE/LOCATION:**

See attached pages

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**DELIVERIES:**

Firm Baseload – no changes during month after first-of-month nominations made.  
Firm Swing – Cinergy may request changes to nominations throughout the month in accordance with Nomination requirements below.

**COMMODITY PRICE:**

Base Price: Inside F.E.R.C. Gas Market Report First-of-Month Index  
Swing Price: 1) Keep Whole: Inside F.E.R.C. Gas Market Report First-of-Month Index  
2) Option: Lower of Inside F.E.R.C. Gas Market Report First-of-Month Index or Gas Daily Midpoint  
3) Gas Daily: Midpoint  
Other Price: 1) Nominations made and accepted during weekends, holidays and intraday: the price associated with any change in delivery volume requested by Purchaser and agreed to by Seller will be at a mutually agreeable negotiated price.  
2) Fixed NYMEX Price: Purchaser may set a fixed price for any month during the Contract term prior to noon on the last day of the NYMEX settlement.  
3) Fixed Mid-Month Price: Purchaser may fix the Gas Daily pricing during the month of flow at a mutually agreeable price .

**RESERVATION PRICE:**

<u>PIPELINE</u>	<u>PIPELINE DELIVERY ZONE</u>	<u>SUPPLY TYPE</u>	<u>2002-03 RESERVATION FEE BID</u>		
			<u>KEEPWHOLE \$/DTH</u>	<u>OPTION \$/DTH</u>	<u>GAS DAILY \$/DTH</u>
Columbia Gulf	Onshore	Firm Base	\$0.0125	N/A	N/A
Columbia Gulf	Onshore	Firm Swing	\$0.0175	\$0.310	\$0.0175
Texas Gas	SL	Firm Base	\$0.0125	N/A	N/A
Texas Gas	SL	Firm Swing	\$0.0175	\$0.310	\$0.0175
Tennessee	Zone 1	Firm Base	\$0.0125	N/A	N/A
Tennessee	Zone 1	Firm Swing	\$0.0175	\$0.310	\$0.0175

**NOMINATIONS:**

Baseload for Month: Purchaser to notify Seller of Baseload Nomination at least two business days prior to Transporter's deadline for the following month's flow.

Mid-Month Nominations: Purchaser to notify Seller by 8:30 a.m. CST for any volume changes to be in place for the following day of flow. Any nominations put in place prior to a weekend or holiday shall remain in place through said period.

Intraday, Weekend and Holiday Nominations: To the extent possible, OEMI will endeavor, but not be obligated, to provide Cinergy with intraday, weekend and holiday nominations throughout the term of the Agreement.



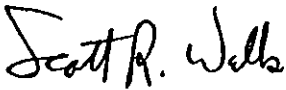
**NON-PERFORMANCE PENALTY:**

Seller: net replacement cost including pipeline penalty changes if incurred by  
Purchaser

Purchaser: reservation charges plus KeepWhole on commodity price if incurred  
by Seller

Our offer may be subject to change as the NYMEX is volatile and may require an adjustment before our offer is accepted. Please do not hesitate to contact me if you have any questions or need any clarification. I look forward to working with you and Jim Henning to develop a mutually beneficial relationship.

Sincerely,

A handwritten signature in cursive script that reads "Scott R. Wells".

Scott R. Wells

cc: Steve Randall

**CG&E CO.  
GAS SUPPLY REQUIREMENTS  
2002-2003 WINTER SEASON  
(CITY GATE)**

	NOV (DTH/D)	DEC (DTH/D)	JAN (DTH/D)	FEB (DTH/D)	MAR (DTH/D)
<b>SELLER'S BID:</b>					
<b>TENNESSEE</b>					
BASE	5,000	5,000	5,000	5,000	5,000
SWING	19,745	19,745	19,745	19,745	19,745
TOTAL	24,745	24,745	24,745	24,745	24,745
<b>SELLER'S BID:</b>					
<b>TEXAS GAS</b>					
BASE	26,200	26,200	26,200	26,200	26,200
SWING	40,000	40,000	40,000	40,000	40,000
TOTAL	66,200	66,200	66,200	66,200	66,200
<b>SELLER'S BID:</b>					
<b>COLUMBIA GULF</b>					
BASE	27,301	27,301	27,301	27,301	27,301
SWING	20,000	20,000	20,000	20,000	20,000
TOTAL	47,301	47,301	47,301	47,301	47,301
TOTAL BASE	58,501	58,501	58,501	58,501	58,501
TOTAL SWING	79,745	79,745	79,745	79,745	79,745
TOTAL FIRM	110,945	110,945	110,945	110,945	110,945

**ULH&P CO.  
GAS SUPPLY REQUIREMENTS  
2002-2003 WINTER SEASON  
(CITY GATE)**

	NOV (DTH/D)	DEC (DTH/D)	JAN (DTH/D)	FEB (DTH/D)	MAR (DTH/D)
<b>SELLER'S BID:</b>					
<b>TENNESSEE</b>					
BASE	4,000	8,000	8,000	8,000	4,000
SWING	10,000	10,000	10,000	10,000	10,000
TOTAL	14,000	18,000	18,000	18,000	14,000
<b>SELLER'S BID:</b>					
<b>COLUMBIA GULF</b>					
BASE	11,003	8,190	15,213	13,372	12,035
SWING	11,547	14,360	7,337	9,178	10,515
TOTAL	22,550	22,550	22,550	22,550	22,550
TOTAL BASE	15,003	16,190	23,213	21,372	16,035
TOTAL SWING	21,547	24,360	17,337	19,178	20,515
TOTAL FIRM	36,550	40,550	40,550	40,550	36,550

**LAW. GAS CO.  
GAS SUPPLY REQUIREMENTS  
2002-2003 WINTER SEASON  
(CITY GATE)**

	NOV (DTH/D)	DEC (DTH/D)	JAN (DTH/D)	FEB (DTH/D)	MAR (DTH/D)
<b>SELLER'S BID:</b>					
<b>TEXAS GAS</b>					
BASE	1,450	1,710	2,110	2,110	1,720
SWING	4,039	3,779	3,379	3,379	3,769
TOTAL	5,489	5,489	5,489	5,489	5,489



GD - RESV. Fee  
LIMIT of TGM Volume?  
to TERM Volume?

**FAX TRANSMITTAL**

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

DATE: 7-22-2002

TO: TOM LAWSON

COMPANY: C.G.E.

FAX NUMBER: 513-287-3768

TOTAL PAGES, INCLUDING COVER SHEET: 4

If you have any trouble receiving the above-specified pages, please contact:

SENDER: Wanda Marcell (for John Ripple)

TELEPHONE: 832-636-7155 FAX: (832) 636-7147

**COMMENTS / INSTRUCTIONS:**

*Pursuant to our conversation, following pages  
represent Anadarko's response to your Request  
for proposal.  
Looking forward to hearing good news after  
you have evaluated all offers.  
Sincerely, Wanda Marcell*

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July 22, 2002

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Mr. Tom Lawson  
Cincinnati Gas & Electric Company  
139 E. Fourth Street, Room 460-A  
Cincinnati, OH 45201

Via Fax: 513 287 3768

Dear Tom:

Thank you for allowing Anadarko Energy Services Company ("Anadarko") the opportunity to submit a proposal to provide winter natural gas to Cincinnati Gas & Electric Company (CG&E). Shown below are the specific parameters of the proposal.

**Transaction Parameters:**

**Pipeline:** Texas Gas Transmission Company (TGT)

**Delivery Point(s):** Zone SL & Z1

**Term:** November 1, 2002 through March 31, 2003.

**Price (Index):** The commodity price (Index) will be the Inside FERC's Gas Market Report for Texas Gas, Zone SL or Zone 1 and (GD Index) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for either Louisiana-Onshore South, Texas Gas SL or East Texas-North Louisiana Area, Texas Gas (entire Z 1) plus the appropriate amount for the services listed below.

**Volume and Price:**

Monthly -	Zone SL	Zone 1
<b>Baseload Supply:</b>		
Maximum Daily Quantity:	40,000 MMBtu/d	20,000 MMBtu/d
Price:	Index plus \$.005.	Index plus \$.005
<b>Keep Whole Swing:</b>		
Minimum Daily Quantity:	0 MMBtu/d	0 MMBtu/d
Maximum Daily Quantity:	15,000 MMBtu/d	10,000 MMBtu/d
Price:	Index	Index
Reservation Fee:	\$.0075	\$.0075

The total MDQ for the pipeline is 40,000 MMBtu/d and 20,000 MMBtu/d respectively.

**Transaction Parameters:**

**Pipeline:** Tennessee Gas Pipeline - Zone 1

**Delivery Point(s):** 500 Leg Pool

**Term:** November 1, 2002 through March 31, 2003.

**Price (Index):** The commodity price (Index) will be the Inside FERC's Gas Market Report for Tennessee Gas Pipeline, Louisiana 500 Leg and (GD Index) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, Tennessee, La., 500 Leg plus the appropriate amount for the services listed below.

**Volume and Price:**

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Monthly -

**Baseload Supply:**

Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index plus \$.005.

**Keep Whole Swing:**

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 10,000 MMBtu/d  
Price: Index  
Reservation Fee: \$.0075

The total MDQ for the pipeline is 20,000 MMBtu/d.

**Transaction Parameters:**

**Pipeline:** Columbia Gulf Transmission Company (Columbia Gulf)

**Delivery Point(s):** Onshore Pool

**Term:** November 1, 2002 through March 31, 2003.

**Price (Index):** The commodity price (Index) will be the Inside FERC's Gas Market Report for Columbia Gulf, Louisiana and (GD Index) will be the Gas Daily under the Daily Price Survey section, Midpoint price, for the Flow date(s), for Louisiana-Onshore South, Columbia Gulf, LA. plus the appropriate amount for the services listed below.

**Volume and Price:**

Monthly -

**Baseload Supply:**

Maximum Daily Quantity: 20,000 MMBtu/d  
Price: Index plus \$.005.

**Keep Whole Swing:**

Minimum Daily Quantity: 0 MMBtu/d  
Maximum Daily Quantity: 10,000 MMBtu/d  
Price: Index  
Reservation Fee: \$.0075

The total MDQ on this pipeline is 20,000 MMBTU/d.

**Transaction/Flexibility Parameters:**

**Pipeline:** Texas Gas, Tennessee and Columbia Gulf

**Delivery Point(s):** Same as Above

**Term:** November 1, 2002 through March 31, 2003.

**Price (Index):** The commodity price differential for Weekend Flow will be the (GD Index) Gas Daily under the Daily Price Survey section, Midpoint price, for Louisiana-Onshore South, for the appropriate pipeline. The differential will be calculated by taking the difference in the GD Index for the actual flow date (Sat. Sun. & Mon.) and The GD Index for the following flow date (Tues.). If CG&E gives gas back the value differential will be zero or negative and if CG&E calls gas the price differential will be zero to positive. This calculation represents the value difference for either replacing or disposing of the weekend swing gas.

**Volume and Price:**

Monthly -

*Swing Supply:*

Maximum Daily Quantity: 20,000 MMBtu/d

Price: GD Index Differential plus 2% of Weekend GD Index.

**Swing Supply:** CG&E must provide nomination notice to Anadarko by 8:30 AM (Central Time) for next day flow (for gas flow Tuesday through Friday); by 8:30 AM (Central Time) Friday for weekend swings (for gas flow on Saturday, Sunday, or Monday); and by 8:30 AM (Central Time) on the last business day prior to any national holiday for gas flow on said holiday. Note, at such time as the nomination has been placed, the daily quantity shall be considered fixed and not changed until the next nomination period. Also, CG&E's nomination for weekend volumes must be same for each weekend day.

**This proposal is contingent on Anadarko's management approval and execution of a mutually acceptable Gas Sales Agreement and Purchase Order.**

**The contract you attached is still under review. I am certain there will be several suggested changes. Another alternative is to consider the new NASEB contract. We have found it to be acceptable by many of our counterparts. If you would like us to send you a copy for your review, please call.**

Once again we greatly appreciate the opportunity to submit this proposal for your consideration. I look forward to working with you on this project. Please call me at (281) 863-7153 or Steve Wilburn at (281) 863-7171 if you have any questions or need additional information.

Sincerely



John W. Ripple

Manager, Market Development





- 1100 Louisiana, Suite 4900, Houston, TX 77002

## Facsimile Cover Sheet

To: JAMES HENNING  
Company: CINERGY  
Phone: 513-287-4078  
Fax: 513-287-3768

From: BRIAN SMITH  
Company: CM:T  
Phone: 713-393-6952  
Fax:

Date: 7/22/2002

Pages including this  
cover page:

Comments:

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CONFIDENTIAL PROPRIETARY  
TRADE SECRET



Cinergy Marketing & Trading, LP  
1100 Louisiana, Suite 4900  
Houston, TX 77002  
Tel. 713-393-6952  
Fax. 713-393-6913

July 22, 2002

Mr. James P. Henning  
Manager, Gas Commercial Operations  
Cinergy Corporation  
139 East Fourth Street  
Cincinnati, OH 45201-0960

Dear Mr. Henning:

Thank you for the opportunity to bid on Cincinnati Gas & Electric ("CG&E"), the Union Light, Heat and Power Company ("ULHP"), and Lawrenceburg Gas Company ("Lawrenceburg") gas requirements for the 2002-2003 winter period. Cinergy Marketing & Trading ("CM&T") manages Kerr-McGee Corporation and Apache Corporation's natural gas production. Combined, CM&T markets close to 3 Bcf/day of physical natural gas. Moreover, as a subsidiary of Cinergy Corp., which contains regulated utility entities, CM&T recognizes the importance of guaranteeing firm energy supply to meet the customers need. CM&T can provide the University a secure source of natural gas for its needs. Following is our proposal:

**Contract Term:** November 1, 2002 through March 31, 2003

**Baseload Pricing:** CM&T will supply baseload natural gas to CG&E, ULHP and Lawrenceburg priced at Inside F.E.R.C.'s Gas Market Report, "PRICES OF SPOT GAS DELIVERED TO PIPELINES" for the following locations:

Buyer	Location	Term	Baseload Volume	Price/dth
CG&E	TGP, 500 leg	Nov/Mar	5,000/dth	\$.0025
	Texas Gas, Zone SL	Nov/Mar	26,200/dth	\$.0000
	Columbia Gulf, La.	Nov. 2002	27,301/dth	\$.0075
		Dec. 2002	66,817/dth	\$.0075
		Jan. 2003	89,082/dth	\$.0075
		Feb. 2003	63,658/dth	\$.0075
		Mar. 2003	47,341/dth	\$.0075

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UHLF	TGP, 500 leg	Nov. 2002	4,000/dth	\$0.0025
		Dec. 2002	8,000/dth	\$0.0025
		Jan. 2003	8,000/dth	\$0.0025
		Feb. 2003	8,000/dth	\$0.0025
		Mar. 2003	4,000/dth	\$0.0025
	Columbia Gulf, La.	Nov. 2002	11,003/dth	\$0.0075
		Dec. 2002	8,190/dth	\$0.0075
		Jan. 2003	15,213/dth	\$0.0075
		Feb. 2003	13,372/dth	\$0.0075
		Mar. 2003	12,035/dth	\$0.0075
Lawrenceburg	Texas Gas, Zone SL	Nov. 2002	1,450/dth	\$0.0000
		Dec. 2002	1,710/dth	\$0.0000
		Jan. 2003	2,110/dth	\$0.0000
		Feb. 2003	2,110/dth	\$0.0000
		Mar. 2003	1,720/dth	\$0.0000

Additionally, CM&T will charge a reservation fee of \$0.0025/MMBtu of the Baseload Maximum Daily Quantity (BMDQ).

**Swing Pricing:** CM&T will supply swing natural gas to CG&E, UHLF and Lawrenceburg priced at Gas Daily, "DAILY PRICE SURVEY" for the following locations:

Buyer	Location	Term	Baseload Volume	Price/dth
CG&E	TGP, 500 leg	Nov/Mar	19,745/dth	\$0.0000
	Texas Gas, Zone SL	Nov/Mar	60,656/dth	\$0.0000
	Columbia Gulf, La.	Nov. 2002	84,758/dth	\$0.0000
		Dec. 2002	45,242/dth	\$0.0000
		Jan. 2003	22,967/dth	\$0.0000
		Feb. 2003	48,401/dth	\$0.0000
		Mar. 2003	64,718/dth	\$0.0000
UHLF	TGP, 500 leg	Nov. 2002	19,056/dth	\$0.0000
		Dec. 2002	35,056/dth	\$0.0000
		Jan. 2003	35,056/dth	\$0.0000
		Feb. 2003	35,056/dth	\$0.0000
		Mar. 2003	19,056/dth	\$0.0000
	Columbia Gulf, La.	Nov. 2002	11,547/dth	\$0.0000
		Dec. 2002	14,360/dth	\$0.0000
		Jan. 2003	7,337/dth	\$0.0000
		Feb. 2003	9,178/dth	\$0.0000
		Mar. 2003	10,515/dth	\$0.0000
	Lawrenceburg	Texas Gas, Zone SL	Nov. 2002	4,039/dth
Dec. 2002			3,779/dth	\$0.0000

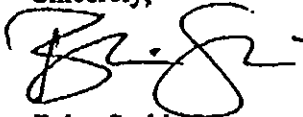
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Jan. 2003	3,379/dth	\$0.0000
Feb. 2003	3,379/dth	\$0.0000
Mar. 2003	3,769/dth	\$0.0000

Additionally, CM&T will charge a reservation fee of \$0.0025/MMBtu of the Swing Maximum Daily Quantity (SMDQ).

This offer is subject to final management approval. Moreover, any final agreement is subject to CM&T reaching satisfactory credit arrangements with the Assignee, Mirant Americas Energy Marketing, L.P. If you have any questions, or if I can be of any further assistance, please do not hesitate to call me at 713-393-6952.

Sincerely,



Brian Smith  
Director, Marketing

bp

BP Energy Company  
Gas and Power North America

501 WestLake Park Boulevard  
Houston, TX 77079



FAX

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Date July 22, 2002

Number of pages including cover sheet 8

To: Mr James Henning  
CINERGY CORP

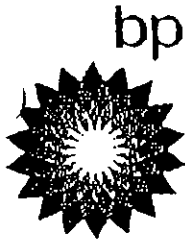
From: NICK KORNUKA  
BP ENERGY

Phone \_\_\_\_\_  
Fax Phone 513-287-3693  
CC: \_\_\_\_\_

Phone 281-366-4947  
Fax Phone 281-366-4929

REMARKS:

☐ Urgent ☒ For your review ☐ Reply ASAP ☐ Please comment



**BP Energy Company**

501 WestLake Park Boulevard  
Houston, TX 77079  
P.O. Box 3092  
Houston, TX 77253-3092  
Telephone: 281-366-2000  
Facsimile: 281-366-4929

July 22, 2002

Mr. James P. Henning  
Manager, Gas Commercial Operations  
Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Dear James,

BP Energy Company (BP) is pleased to have the opportunity to submit a proposal to Cinergy in response to your request for firm natural gas supply. Please find enclosed BP's offer for firm natural gas supply based on the information provided in the your correspondence dated July 3, 2002.

BP Energy Company is a division of BP PLC, a worldwide energy company formed through the merger of British Petroleum, Amoco Corporation, Vastar and Arco. BP PLC is one of the world's largest petroleum and petrochemicals companies, with a AA+ credit rating from Standard and Poor's. Our main activities are exploration and production of crude oil and natural gas; refining, marketing, supply and transportation; and manufacturing and marketing of petrochemicals. BP offers a full range of gas marketing services from its North American headquarters in Houston. In North America, BP markets natural gas across the continent. BP is the largest natural gas producer (4.5 Bcfd) and reserve holder in North America (17 Tcf). Our future developments in the Gulf of Mexico, LNG imports through Cove Point and Alaskan natural gas will only strengthen our leading natural gas production position for our customer's future gas requirements.

Regarding the assignment of gas supply contracts to Mirant Americas Energy Marketing LP (Mirant) BP will require adequate assurance of performance from Mirant. Adequate assurance shall mean sufficient security in the form and for the term specified by BP, such as, a standby irrevocable letter of credit (in form and substance and from a commercial U.S. bank acceptable to BP in its sole discretion), a prepayment, a performance bond or a guarantee by an entity that is acceptable to BP.

Finally, we understand that this proposal is a letter of intent only, and does not impose any legally binding obligations on BP Energy or on Cinergy. Both parties intend to be legally bound only upon negotiation and execution of a gas purchase and sale agreement acceptable in form and substance to both sides, and only after the execution of a gas purchase and sale agreement by their authorized representatives will the parties have legally enforceable obligations to each other.

We look forward to additional discussions with you and Cinergy on our proposal or any other service you may need. If you have any questions on this proposal, please contact me at 281-366-4947.

Thank you again for considering BP Energy Company for this important venture.

Yours truly,

Nick J. Kornuta  
Account Manager - Origination Mid-Atlantic

**Natural Gas Supply Proposal to Cinergy  
For Cincinnati Gas & Electric Company**

**Term:** November 1, 2002 through March 31, 2002

**Delivery Pt.:** into Columbia Gulf, Onshore Pool

**Service:** Firm Supply

**CONFIDENTIAL PROPRIETARY  
TRADE SECRET**

**Maximum  
Volumes  
Offered**

<b>Col Gulf</b>	<b>Nov MMbtu</b>	<b>Dec MMbtu</b>	<b>Jan MMbtu</b>	<b>Feb MMbtu</b>	<b>Mar MMbtu</b>
Base	13,650	33,409	44,546	31,829	23,671
Swing	42,379	22,621	11,484	24,201	32,359

**Pricing Proposal:**

**Baseload:** Will be priced at Inside FERC's Gas Market Report Columbia Gulf Transmission Co. Index

**Reservation Fee:** \$0.0025 per MMbtu on the Baseload volumes contracted

**Swing:** Will be priced at Gas Daily Midpoint Louisiana Onshore South Columbia Gulf La.  
*KEEP WHOLE = \$0.0050*

**Reservation Fee:** \$0.01 per MMbtu on the Swing volumes contracted

**Option:** \$0.255 per MMbtu for Lower of INSIDE FERC FOM or Gas Daily Midpoint

**Assumptions / Clarifications under this Proposal:**

- BP Energy will provide Net Replacement cost including pipeline penalty charges if incurred by Purchaser.
- Purchaser will provide Keep Whole on commodity price if incurred by Seller.
- Purchaser will provide nomination notification changes to BP Energy no later than 8:30 am Central Standard time for swing volumes contracted. Changes for Weekends and Holiday periods will be due on Friday morning or the day prior to the Holiday.
- Purchaser also has "trigger rights" to fix the supply cost on the baseload volumes contracted by contacting BP Energy during normal business hours and submitting a NYMEX "trigger" price for any or all months in the contract term.
- Buyer may make any portion of the Swing supply part of the Base gas for any month of the contract at a price to be mutually agreed (fixed or index related).
- For requested volume changes during weekends and Holidays, BP will be available for contact and any changes will be for day-ahead nominations and the price/cost of such change will be negotiated on a case-by-case basis as needed and not considered available at the above quoted pricing.

**Natural Gas Supply Proposal to CInergy  
For Cincinnati Gas & Electric Company**

**Term:** November 1, 2002 through March 31, 2002

**Delivery Pt.:** into Tennessee in Zone 1

**CONFIDENTIAL PROPRIETARY  
TRADE SECRET**

**Service:** Firm Supply

**Maximum  
Volumes  
Offered**

<b>Tenn Z 1</b>	<b>Nov MMbtu</b>	<b>Dec MMbtu</b>	<b>Jan MMbtu</b>	<b>Feb MMbtu</b>	<b>Mar MMbtu</b>
<b>Base</b>	5,000	5,000	5000	5000	5,000
<b>Swing</b>	19,745	19,745	19,745	19,745	19,745

**Pricing Proposal:**

**Baseload:** Will be priced at Inside FERC's Gas Market Report Tennessee Gas Pipeline Co. Index, 800 Leg or 500 Leg, as appropriate.

**Reservation Fee:** \$0.0025 per MMbtu on the Baseload volumes contracted

**Swing:** Will be priced at Gas Daily Midpoint Louisiana Onshore South, Tennessee La, 800 Leg or 500 Leg, as appropriate.

**Reservation Fee:** \$0.01 per MMbtu on the Swing volumes contracted

**Option:** \$0.255 per MMbtu for Lower of INSIDE FERC FOM or Gas Daily Midpoint

**Assumptions / Clarifications under this Proposal:**

- BP Energy will provide Net Replacement cost including pipeline penalty charges if incurred by Purchaser.
- Purchaser will provide Keep Whole on commodity price if incurred by Seller.
- Purchaser will provide nomination notification changes to BP Energy no later than 8:30 am Central Standard time for swing volumes contracted. Changes for Weekends and Holiday periods will be due on Friday morning or the day prior to the Holiday.
- Purchaser also has "trigger rights" to fix the supply cost on the baseload volumes contracted by contacting BP Energy during normal business hours and submitting a NYMEX "trigger" price for any or all months in the contract term.
- Buyer may make any portion of the Swing supply part of the Base gas for any month of the contract at a price to be mutually agreed (fixed or index related).
- For requested volume changes during weekends and Holidays, BP will be available for contact and any changes will be for day-ahead nominations and the price/cost of such change will be negotiated on a case-by-case basis as needed and not considered available at the above quoted pricing.



**Natural Gas Supply Proposal to Cinergy  
For Cincinnati Gas & Electric Company**

**Term:** November 1, 2002 through March 31, 2002

**CONFIDENTIAL PROPRIETARY  
TRADE SECRET**

**Delivery Pt.:** into Texas Gas SL pool

**Service:** Firm Supply

**Maximum  
Volumes  
Offered**

<b>TGT Z SL</b>	<b>Nov MMbtu</b>	<b>Dec MMbtu</b>	<b>Jan MMbtu</b>	<b>Feb MMbtu</b>	<b>Mar MMbtu</b>
Base	26,200	26,200	26,200	26,200	26,200
Swing	60,656	60,656	60,656	60,656	60,656

**Pricing Proposal:**

**Baseload:** Will be priced at Inside FERC's Gas Market Report Texas Gas Transmission Corp. Index  
MINUS 0.0025/MMBTU

**Reservation Fee:** \$0.00 per MMBtu on the Baseload volumes contracted

**Swing:** Will be priced at Gas Daily Midpoint Louisiana Onshore South, Texas Gas, zone SL

**Reservation Fee:** \$0.01 per MMBtu on the Swing volumes contracted

**Option:** \$0.255 per MMBtu for Lower of INSIDE FERC FOM or Gas Daily Midpoint

**Assumptions / Clarifications under this Proposal:**

- BP Energy will provide Net Replacement cost including pipeline penalty charges if incurred by Purchaser.
- Purchaser will provide Keep Whole on commodity price if incurred by Seller.
- Purchaser will provide nomination notification changes to BP Energy no later than 8:30 am Central Standard time for swing volumes contracted. Changes for Weekends and Holiday periods will be due on Friday morning or the day prior to the Holiday.
- Purchaser also has "trigger rights" to fix the supply cost on the baseload volumes contracted by contacting BP Energy during normal business hours and submitting a NYMEX "trigger" price for any or all months in the contract term.
- Buyer may make any portion of the Swing supply part of the Base gas for any month of the contract at a price to be mutually agreed (fixed or index related).
- For requested volume changes during weekends and Holidays, BP will be available for contact and any changes will be for day-ahead nominations and the price/cost of such change will be negotiated on a case-by-case basis as needed and not considered available at the above quoted pricing.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**Natural Gas Supply Proposal to Cinergy  
For Union Light, Heat and Power Company**

**Term:** November 1, 2002 through March 31, 2002

**Delivery Pt.:** into Tennessee in Zone 1

**Service:** Firm Supply

**Maximum  
Volumes  
Offered**

<b>Tenn Z 1</b>	<b>Nov MMbtu</b>	<b>Dec MMbtu</b>	<b>Jan MMbtu</b>	<b>Feb MMbtu</b>	<b>Mar MMbtu</b>
Base	4,000	8,000	8,000	8,000	4,000
Swing	19,056	35,056	35,056	35,056	19,056

**Pricing Proposal:**

**Baseload:** Will be priced at Inside FERC's Gas Market Report Tennessee Gas Pipeline Co. Index, 800 Leg or 500 Leg, as appropriate.

**Reservation Fee:** \$0.0025 per MMbtu on the Baseload volumes contracted

**Swing:** Will be priced at Gas Daily Midpoint Louisiana Onshore South, Tennessee La, 800 Leg or 500 Leg, as appropriate.

**Reservation Fee:** \$0.01 per MMbtu on the Swing volumes contracted

**Option:** \$0.255 per MMbtu for Lower of INSIDE FERC FOM or Gas Daily Midpoint

**Assumptions / Clarifications under this Proposal:**

- BP Energy will provide Net Replacement cost including pipeline penalty charges if incurred by Purchaser.
- Purchaser will provide Keep Whole on commodity price if incurred by Seller.
- Purchaser will provide nomination notification changes to BP Energy no later than 8:30 am Central Standard time for swing volumes contracted. Changes for Weekends and Holiday periods will be due on Friday morning or the day prior to the Holiday.
- Purchaser also has "trigger rights" to fix the supply cost on the baseload volumes contracted by contacting BP Energy during normal business hours and submitting a NYMEX "trigger" price for any or all months in the contract term.
- Buyer may make any portion of the Swing supply part of the Base gas for any month of the contract at a price to be mutually agreed (fixed or index related).
- For requested volume changes during weekends and Holidays, BP will be available for contact and any changes will be for day-ahead nominations and the price/cost of such change will be negotiated on a case-by-case basis as needed and not considered available at the above quoted pricing.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**Natural Gas Supply Proposal to Cinergy  
For Union Light, Heat and Power Company**

**Term:** November 1, 2002 through March 31, 2002

**Delivery Pt.:** into Columbia Gulf, Onshore Pool

**Service:** Firm Supply

**Maximum  
Volumes  
Offered**

<b>Col Gulf</b>	<b>Nov MMbtu</b>	<b>Dec MMbtu</b>	<b>Jan MMbtu</b>	<b>Feb MMbtu</b>	<b>Mar MMbtu</b>
Base	5,502	4,095	7,607	6,686	6,018
Swing	5,774	7,180	3,669	4,589	5,258

**Pricing Proposal:**

**Baseload:** Will be priced at Inside FERC's Gas Market Report Columbia Gulf Transmission Co. Index

**Reservation Fee:** \$0.0025 per MMbtu on the Baseload volumes contracted

**Swing:** Will be priced at Gas Daily Midpoint Louisiana Onshore South, Columbia Gulf La.

**Reservation Fee:** \$0.01 per MMbtu on the Swing volumes contracted

**Option:** \$0.255 per MMbtu for Lower of INSIDE FERC FOM or Gas Daily Midpoint

**Assumptions / Clarifications under this Proposal:**

- BP Energy will provide Net Replacement cost including pipeline penalty charges if incurred by Purchaser.
- Purchaser will provide Keep Whole on commodity price if incurred by Seller.
- Purchaser will provide nomination notification changes to BP Energy no later than 8:30 am Central Standard time for swing volumes contracted. Changes for Weekends and Holiday periods will be due on Friday morning or the day prior to the Holiday.
- Purchaser also has "trigger rights" to fix the supply cost on the baseload volumes contracted by contacting BP Energy during normal business hours and submitting a NYMEX "trigger" price for any or all months in the contract term.
- Buyer may make any portion of the Swing supply part of the Base gas for any month of the contract at a price to be mutually agreed (fixed or index related).
- For requested volume changes during weekends and Holidays, BP will be available for contact and any changes will be for day-ahead nominations and the price/cost of such change will be negotiated on a case-by-case basis as needed and not considered available at the above quoted pricing.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**Natural Gas Supply Proposal to Cinergy  
For Lawrenceburg Gas Company**

**Term:** November 1, 2002 through March 31, 2002

**Delivery Pt.:** into Texas Gas SL pool

**Service:** Firm Supply

**Maximum  
Volumes  
Offered**

TGT Z SL	Nov MMbtu	Dec MMbtu	Jan MMbtu	Feb MMbtu	Mar MMbtu
Base	1,450	1,710	2,110	2,110	1,720
Swing	4,039	3,779	3,379	3,379	3,769

**Pricing Proposal:**

**Baseload:** Will be priced at Inside FERC's Gas Market Report Texas Gas Transmission Corp. Index  
*MINUS 0.0025/MMBTU*

**Reservation Fee:** \$0.00 per MMBtu on the Baseload volumes contracted

**Swing:** Will be priced at Gas Daily Midpoint Louisiana Onshore South, Texas Gas, zone SL

**Reservation Fee:** \$0.01 per MMBtu on the Swing volumes contracted

**Option:** \$0.255 per MMBtu for Lower of INSIDE FERC FOM or Gas Daily Midpoint

**Assumptions / Clarifications under this Proposal:**

- BP Energy will provide Net Replacement cost including pipeline penalty charges if incurred by Purchaser.
- Purchaser will provide Keep Whole on commodity price if incurred by Seller.
- Purchaser will provide nomination notification changes to BP Energy no later than 8:30 am Central Standard time for swing volumes contracted. Changes for Weekends and Holiday periods will be due on Friday morning or the day prior to the Holiday.
- Purchaser also has "trigger rights" to fix the supply cost on the baseload volumes contracted by contacting BP Energy during normal business hours and submitting a NYMEX "trigger" price for any or all months in the contract term.
- Buyer may make any portion of the Swing supply part of the Base gas for any month of the contract at a price to be mutually agreed (fixed or index related).
- For requested volume changes during weekends and Holidays, BP will be available for contact and any changes will be for day-ahead nominations and the price/cost of such change will be negotiated on a case-by-case basis as needed and not considered available at the above quoted pricing.

# Duke Energy Trading & Marketing

5400 Westheimer Ct.  
Houston, Texas 77056  
713/627-5400

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

## FACSIMILE TRANSMITTAL COVER SHEET

DATE:

7/22/02NUMBER OF PAGES:  
(Including Cover Sheet)4

TO:

Tom Lawson or Jim Henning  
NameCG+E  
Company(513) 287-3768  
Fax Number

FROM:

**Bob Poston**  
Duke Energy Trading & Marketing  
(713) 989-1712 0706  
(713) 989-0266 FAX

RICK  
713-989-0762  
9 -0706

If there is a problem with transmission or you do not receive the number of pages specified,  
please contact Laurie Peyton at (713) 989-0266.

COMMENTS:

CONFIDENTIAL PROPRIETARY  
TRADE SECRET



# Mobil

July 22, 2002

Jim Henning  
Manager, Gas Commercial Operations  
139 East Fourth Street  
Cincinnati, OH 45201

Re: REQUEST FOR PROPOSALS -- Winter 2002 Gas Supply

Dear Jim:

Duke Energy Trading and Marketing, L.L.C. (DETM) is pleased to provide you with this proposal to provide Firm Gas Supply to CG&E. The following Proposal includes indicative pricing for the terms requested.

DETM is the energy trading and marketing arm of Duke Energy and serves as the exclusive marketer for the domestic natural gas production of Mobil Corporation, Union Pacific and Ocean Energy. On a daily basis DETM is responsible for marketing over 12BCF of natural gas throughout the United States and Canada.

Duke Energy is a diversified multinational energy company with an integrated network of energy assets and expertise. The company manages a dynamic portfolio of natural gas and electric supply, delivery and trading businesses -- meeting the energy need of customers throughout North America and in key markets around the world. A Fortune 100 company with over 60 Billion dollars in assets, Duke Energy has received industry recognition such as, Energy Company of the Year at the 2001 Financial Times Global Energy Awards and Fortune's 2002 Most Admired Energy Company.

I appreciate the opportunity to earn the business of CG&E and look forward to hearing your favorable response. Please direct your comments or questions to me at (713) 989-1712.

0706

Sincerely,

A handwritten signature in cursive script that reads 'Bob Poston'.

Bob Poston  
Sr. Originator, NE

Cc: Alan Taylor, Kyle Hamrick

**Duke Energy Trading and Marketing, L.L.C. (DETM)**  
**Firm Gas Supply for**  
**CG&E**

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**Supply Type:** Firm Base and Firm Swing

**Term:** November 1, 2002 through March 31, 2003

**Location:** TGP 500 Leg Pool  
TGT Zone SL Pool  
CGT Onshore Pool

**Price(s):** TGP Base @ *Inside FERC First of the Month* LA 500 Leg Index minus  
\$.0025  
Daily Volumes: Nov02 = 9,000  
Dec02 = 13,000  
Jan03 = 13,000  
Feb03 = 13,000  
Mar03 = 9,000  
TGP Swing @ TGP 500 Leg Gas Daily "Midpoint" Average plus \$.0075  
During an Operational Flow Order "OFO" the price is the high of the TGP  
500 Leg Gas Daily "Absolute High"  
Daily Volumes: As required  
(for TGP gas we can deliver up to 25,000/d base and swing combined of  
point gas, anything more than that will be pool gas)

TGT Base @ *Inside FERC First of the Month* Zone SL Index minus  
\$.0025  
Daily Volumes: Nov02 = 27,650  
Dec02 = 27,910  
Jan03 = 28,310  
Feb03 = 28,310  
Mar03 = 27,920

TGT Swing @ Zone SL Gas Daily "Midpoint" Average  
plus \$.005 for first 25,000 Dth  
plus \$.01 for next 25,000 Dth  
plus \$.015 for remaining Dth  
During an Operational Flow Order "OFO" the price is the high of the  
Zone SL Gas Daily "Absolute High"

7/17/2004 7:536

**CGT Base @ Inside FERC First of the Month Onshore Index plus \$0.00**

**Daily Volumes:** Nov02 = 38,304  
**CONFIDENTIAL PROPRIETARY** Dec02 = 75,007  
**TRADE SECRET** Jan03 = 104,305  
Feb03 = 77,030  
Mar03 = 59,376

**CGT Swing @ Onshore Gas Daily "Midpoint" Average**  
**plus \$.005 for first 25,000 Dth**  
**plus \$.01 for next 25,000 Dth**  
**plus \$.015 for remaining Dth**

**During an Operational Flow Order "OFO" the price is the high of the**  
**CGT, LA Onshore Gas Daily "Absolute High"**

**Notification:** Swing supply notification by 8:15 AM CST the day prior to flow

**Primary Delivery:** This proposal is contingent upon the Buyer accepting the primary delivery points designated by DETM prior to contract execution

**Conditions:** This offer is contingent upon the satisfaction of both parties in respect to credit and contracting. DETM will require security in the form of a parent guarantee or line of credit from the appropriate counter-party. This offer is indicative only and is subject to revision based on market conditions.

**(Please see paragraph below)**

*The terms of this proposal are: (i) non-binding between the Parties; (ii) indicative of what DETM believes are current market conditions; and (iii) do not obligate either party to enter into a transaction with the other party on these or any other terms. Neither Party shall make any public representations or announcements relating to the terms contained herein or any other terms discussed by the Parties without the prior written approval of the other Party. The obligations of CG&E and DETM to consummate the transactions contemplated herein are subject solely to DETM obtaining the appropriate approval of its management, if necessary, the establishment of acceptable credit terms and the Parties agreeing to enter into a mutually acceptable written agreement by November 1, 2002, or such later date as the Parties may agree.*



Terry M. Filip  
Manager, Trading - East Region  
Conoco Gas & Power Marketing  
a Division of Conoco Inc.

Conoco Inc.  
P.O. Box 2197  
Houston, TX 77252  
Phone: (281) 293-1771  
Fax: (281) 293-3525

July 22, 2002

Cinergy Corp.  
139 East Fourth Street  
Room 460-A  
Cincinnati, OH 45202  
Attn: Tom Lawson  
Via Fax: (513) 287-3693

**RE: Cinergy Request for Proposal Winter 2002-2003**

Dear Mr. Lawson:

Conoco Inc. (Conoco) submits the attached proposal to supply gas to The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Lawrenceburg Gas Company (jointly called Cinergy) based upon your Request for Proposal dated July 11, 2002. Although this proposal reflects index based pricing only, Cinergy will have the right to convert to NYMEX based pricing or a fixed price reflective of the market available at the time Cinergy exercises this option and at a price that is mutually agreeable between Cinergy and Conoco.

This proposal is reflective of current market conditions and is subject to change with market fluctuations. In addition, it is intended as a step towards the negotiation of a written agreement setting out all of the provisions related to the proposed transaction. Therefore, neither party will have any obligation to buy or sell gas until both parties have executed such written agreement. Prior to the execution of such agreement, either party may, for any reason, discontinue these negotiations without liability of any kind.

Acceptance of this proposal and assignment of any agreement entered into will be subject to Conoco Management and Conoco Treasury Department approval.

If you have any questions regarding this proposal, please contact me at (281) 293-1771.

Sincerely,



Terry M. Filip  
Manager, Trading - East Region  
Conoco Gas & Power Marketing  
a Division of Conoco Inc.

CONFIDENTIAL PROPRIETARY REQUEST FOR PROPOSAL  
TRADE SECRET

**PURCHASER:** The Cincinnati Gas & Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P) and Lawrenceburg Company (LGCo.)

**SELLER:** Conoco Inc.

**TYPE OF SERVICE:** Firm

**TERM:** November 1, 2002 through March 31, 2003

**COMMODITY PRICE:** Base Price: Inside FERC First of Month Index  
Swing Price: KeepWhole: Inside FERC First of Month Index.  
Option: Lower of Inside FERC First of Month Index or Gas Daily midpoint.  
Gas Daily: Midpoint.

**INTRADAY NOMINATIONS:**

One intraday nomination change will be allowed per business day, weekend or holiday weekend. Weekend and holiday weekend changes will remain in effect until the following business day. The notification deadline for intraday nomination changes will be 8:30 AM Central Clock Time the day the change goes into effect. Intraday nomination changes will be limited to a maximum increase or decrease of 20,000 Dth/day, up to the Maximum Daily Contract Quantity. The intraday nomination volume limit is based upon the volume bid by Conoco and may be scaled based upon the Maximum Daily Contract Quantity awarded to Conoco.

If Purchaser makes an intraday nomination increase, the commodity charge for such quantity will be the higher of the Gas Daily Midpoint price for that day or the next published business day. If Purchaser makes an intraday nomination decrease, Seller will buy back such quantity at the lower of the Gas Daily Midpoint price for that day or the next published business day. In addition, a fee of \$0.10/Dth/day for each day the gas is parked or loaned will be charged on each intraday nomination increase or decrease.

For the purpose of intraday nominations, a business day will be defined as any day the New York Mercantile Exchange (NYMEX) is open for the trading of NYMEX natural gas futures contracts in an open outcry session.

**RESERVATION PRICE:**

<u>PIPELINE</u>	<u>PIPELINE DELIVERY ZONE</u>	<u>SUPPLY TYPE</u>	2002-2003 RESERVATION FEE BID		
			<u>KEEPWHOLE \$/DTH</u>	<u>OPTION \$/DTH</u>	<u>GAS DAILY \$/DTH</u>
Columbia Gulf	Onshore	Firm Base	\$0.005	---	---
Columbia Gulf	Onshore	Firm Swing	\$0.255	\$0.255	\$0.005
Texas Gas	SL	Firm Base	\$0.005	---	---
Texas Gas	SL	Firm Swing	\$0.255	\$0.255	\$0.005
Tennessee	Zone 1	Firm Base	No Offer	---	---
Tennessee	Zone 1	Firm Swing	No Offer	No Offer	No Offer

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

CONOCO BID VOLUMES  
CG&E  
2002-2003 WINTER SEASON  
(CITY GATE)

	NOV (DTH/DAY)	DEC (DTH/DAY)	JAN (DTH/DAY)	FEB (DTH/DAY)	MAR (DTH/DAY)
<b>SELLER'S BID:</b>					
<b>TEXAS GAS</b>					
BASE	26,200	26,200	26,200	26,200	26,200
SWING	60,656	60,656	60,656	60,656	60,656
TOTAL	86,856	86,856	86,856	86,856	86,856
<b>SELLER'S BID:</b>					
<b>COLUMBIA GULF</b>					
BASE	27,301	66,817	89,092	63,658	47,341
SWING	84,758	45,242	22,967	48,401	64,718
TOTAL	112,059	112,059	112,059	112,059	112,059
<b>SELLER'S TOTAL BID</b>					
BASE	53,501	93,017	115,292	89,858	73,541
SWING	145,414	105,898	83,623	109,057	125,374
TOTAL FIRM	198,915	198,915	198,915	198,915	198,915

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CONOCO BID VOLUMES  
ULH&P CO.  
2002-2003 WINTER SEASON  
(CITY GATE)**

	NOV (DTH/DAY)	DEC (DTH/DAY)	JAN (DTH/DAY)	FEB (DTH/DAY)	MAR (DTH/DAY)
<b>SELLER'S BID:</b>					
<b>COLUMBIA GULF</b>					
BASE	11,003	8,190	15,213	13,372	12,035
SWING	11,547	14,360	7,337	9,178	10,515
TOTAL	22,550	22,550	22,550	22,550	22,550
 <b>SELLER'S TOTAL BID</b>					
BASE	11,003	8,190	15,213	13,372	12,035
SWING	11,547	14,360	7,337	9,178	10,515
TOTAL FIRM	22,550	22,550	22,550	22,550	22,550

CONFIDENTIAL PROPRIETARY CONOCO BID VOLUMES  
TRADE SECRET LAW. GAS CO.  
2002-2003 WINTER SEASON  
(CITY GATE)

NOV DEC JAN FEB MAR  
(DTH/DAY) (DTH/DAY) (DTH/DAY) (DTH/DAY) (DTH/DAY)

**SELLER'S BID:**

**TEXAS GAS**

BASE	1,450	1,710	2,110	2,110	1,720
SWING	4,039	3,779	3,379	3,379	3,769
TOTAL	5,489	5,489	5,489	5,489	5,489

**SELLER'S TOTAL BID**

BASE	1,450	1,710	2,110	2,110	1,720
SWING	4,039	3,779	3,379	3,379	3,769
TOTAL FIRM	5,489	5,489	5,489	5,489	5,489

# REQUEST FOR PROPOSAL - SUMMARY OF RESPONSES

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

## PURCHASER

The Cincinnati Gas & Electric Company (CG&E)

## Requirements

[ volumes stated as dekatherms into pipeline ]

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711
Columbia Gas	Leach, Ky	Firm Swing	92,000	0	0	0	0	0	28,000

## Conoco Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT	Reserv Fee
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	0.0225
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	0.0050
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	0.0225
Columbia Gas	Leach, Ky	Firm Swing	92,000	0	0	0	0	0	28,000	0.0100

## CM&T Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT	
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	0.0175
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	0.0050
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	0.0200
Columbia Gas	Leach, Ky	Firm Swing	30,000	0	0	0	0	0	28,000	0.0350

## Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT	
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	0.0150
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	0.0100
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	0.0150
Columbia Gas	Leach, Ky	Firm Swing	10,000	0	0	0	0	0	28,000	0.1400

(CGT Mainline + Rayne to  
Leach Fuel)

## ONEOK Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT	
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	0.0150
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	0.0050
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	0.0150
Columbia Gas	Leach, Ky	Firm Swing	0	0	0	0	0	0	0	

## Duke Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT	
Columbia Gulf	Onshore	Firm Base	20,000	20,000	20,000	20,000	20,000	20,000	20,000	0.0300
Columbia Gulf	Onshore	Firm Swing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0.0100
Texas Gas	SL	Firm Base	11,989	11,989	20,000	20,000	20,000	20,000	20,000	0.0300
Columbia Gas	Leach, Ky	Firm Swing	10,000	0	0	0	0	0	10,000	0.0400

(volumes taken)

## Coral Proposal

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	0	0	0	0	0	0	0
Columbia Gulf	Onshore	Firm Swing	0	0	0	0	0	0	0
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711
Columbia Gas	Leach, Ky	Firm Swing	0	0	0	0	0	0	0

0.0074

## Anadarko Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	0	0	0	0	0	0	0
Columbia Gulf	Onshore	Firm Swing	0	0	0	0	0	0	0
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711
Columbia Gas	Leach, Ky	Firm Swing	0	0	0	0	0	0	0

0.0250

## Constellation Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	40,000	40,000	40,000	40,000	36,000	34,000	32,000
Columbia Gulf	Onshore	Firm Swing	35,000	35,000	33,000	32,000	30,000	29,000	35,000
Texas Gas	SL	Firm Base	0	0	0	0	0	0	0
Columbia Gas	Leach, Ky	Firm Swing	25,000	0	0	0	0	0	25,000

0.0125

0.0100

0.0250

## Proliance Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	0	0	0	0	0	0	0
Columbia Gulf	Onshore	Firm Swing	0	0	0	0	0	0	0
Texas Gas	SL	Firm Base	0	0	0	0	0	0	0
Columbia Gas	Leach, Ky	Firm Swing	20,000	0	0	0	0	0	20,000

0.0500

## VPEM Proposal (5 day callback rights)

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Columbia Gulf	Onshore	Firm Swing	30,000	30,000	30,000	30,000	30,000	29,000	57,217
Texas Gas	SL	Firm Base	11,989	11,989	15,000	15,000	15,000	15,000	15,000
Columbia Gas	Leach, Ky	Firm Swing	50,000	0	0	0	0	0	28,000

Potential Cost of "Call back":

566,779.7400

## VPEM Proposal (10 day callback rights)

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Columbia Gulf	Onshore	Firm Swing	30,000	30,000	30,000	30,000	30,000	29,000	57,217
Texas Gas	SL	Firm Base	11,989	11,989	15,000	15,000	15,000	15,000	15,000
Columbia Gas	Leach, Ky	Firm Swing	50,000	0	0	0	0	0	28,000

Potential Cost of "Call back":

1,197,759.4800

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

27-Jul-01  
1:53 PM

Gas Resources  
Winter 2001 - 2002 Supply Plan

Since the five suppliers from last winter performed adequately, and some volumes have already been locked-in with Mirant and Aquila as part of the hedging strategy, it was decided to use the same five suppliers again this winter.

Base & swing gas amounts were kept constant (as much as possible) for all pipelines except Columbia.

Supply will be reserved for the 20,000 dth/day of Tennessee Interruptible Storage during the months of December - February to protect against possible interruption of delivery of the storage gas.

The amount of "Base" gas was determined by adding the minimum daily load for a given month to the maximum daily quantity for injections (See pages 3 -5)

A certain amount of gas has already been "locked in" with both Mirant and Aquila as part of the company's hedging plan. The amount of base gas from these two companies has to be at least equal to the amount hedged. (See page 6)

Supply from Texaco was lowered due to uncertainty regarding who will manage their supply function after their merger with Chevron. Anadarko's volumes were increased since no problems were experienced last winter and their reservation fees are the lowest. (See page 7)

The projected city gate price of gas was considered for determining the amount of base and swing on each pipeline, however practical considerations such as including a portion of base on each pipeline, and supplier volume constraints were given precedence. (See page 8)

Reservation fees, supplier volume constraints, proven dependability and diversity of supply points were all considered in allocating the base and swing to the five suppliers. (See pages 9 - 15)

Supply for Lawrenceburg will be contracted with Mirant except for a small portion of "locked in" gas which was purchased with Aquila for December 2001. (See page 16).

Total reservation fees for the winter 2001-2002 for all three companies will be approximately \$526,000, a decrease of \$220,000 from last year. (See page 17)

In order to have ULH&P begin the season with a percentage of swing priced at Gas Daily, similar to CG&E, Aquila's package of swing on Tennessee pipeline will be priced at Gas Daily.

Any anticipated reduction in CG&E's FT/RFT MDQ from the estimated 116,000 dth will be met by purchasing additional firm pipeline capacity and associated firm supply along with city gate peaking service.



**THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT, AND POWER COMPANY  
2001-2002 WINTER SEASON  
SUPPLY PORTFOLIO  
FOR GCR CUSTOMERS**

**RECOMMENDATION**

This sheet signifies that upper management has approved the suppliers and the contracted volumes for the winter of 2001-2002 period subject to reaching satisfactory agreements with the suppliers.

Recommendation: Thomas M. Lannon

Date: 7-27-01

Approval: J. C. Randolph Jr

Date: 7/27/01

**DEVELOPMENT OF THE WINTER SUPPLY PORTFOLIO FOR 2001-02**  
**CITY GATE VOLUMES - CG&E and ULH&P**

	November	December	January	February	March
Adjusted Minimum Day for GCR	49,627	75,980	92,542	65,267	42,613
Injections CGT	18,408	36,817	44,180	44,180	44,180
Injections TGT	14,400	14,400	14,400	14,400	14,400
Min Day plus Injections	82,435	127,197	151,122	123,847	101,193
Expectation for the FT/RFT Program MDQ					
959,318	108,000	112,000	116,000	120,000	124,000
	11.26%	11.67%	12.09%	12.51%	12.93%

	November	December	January	February	March
GCR Base Supply	82,435	127,197	151,122	123,847	101,193
Swing	186,320	211,750	168,558	195,833	167,562
Spot Swing	50,001	-	-	-	50,001
Storage					
CGT-FSS	267,170	267,170	267,170	267,170	267,170
TGT-NNS	25,000	25,000	25,000	25,000	25,000
Peaking	-	65,090	65,090	65,090	-
Propane	149,219	149,219	149,219	149,219	149,219

**MONTHLY SUPPLY PORTFOLIO - 2000 - 2001**

City Gate	November	December	January	February	March
<b>Base</b>					
TGT FT	8,932	8,932	8,932	8,932	8,932
TGT NNS Injections	14,400	14,400	14,400	14,400	14,400
TGT NNS City Gate	5,600	5,600	5,600	5,600	5,600
Col Gulf Injections	18,408	36,817	44,180	44,180	44,180
ANR	5,000	5,000	5,000	5,000	5,000
Tennessee Zone 1	12,700	16,800	16,800	16,800	12,700
Col Gulf/KO	17,395	39,648	56,210	28,935	10,381
Total Firm Base	82,435	127,197	151,122	123,847	101,193
<b>Swing</b>					
ANR	13,000	13,000	13,000	13,000	13,000
Tenn Zone 1	49,640	65,540	65,540	65,540	49,640
TGT FT-DA	3,878	3,878	3,878	3,878	3,878
TGT NNS	51,500	51,500	51,500	51,500	51,500
Columbia Gulf/KO	68,302	57,641	33,716	60,991	49,544
Total Firm Swing	186,320	191,559	167,634	194,909	167,562
<b>Storage</b>					
CGT-FSS	267,170	267,170	267,170	267,170	267,170
TGT-NNS	25,000	25,000	25,000	25,000	25,000
<b>Spot Swing</b>					
Col Gulf/KO	30,000	0	0	0	30,000
Tennessee Zone 1	20,000	-	-	-	20,000
TGT FT & FTDA	-	-	-	-	-
Peaking Service	-	65,090	65,090	65,090	-
Propane	149,219	149,219	149,219	149,219	149,219

<b>CG&amp;E Only</b>					
Adjusted Minimum Day	37,312	59,883	75,781	50,347	33,030
Injections CGT	15,720	31,440	37,728	37,728	37,728
Injections TGT	14,400	14,400	14,400	14,400	14,400
Min Day plus Injections	67,432	105,723	127,909	102,475	85,158
Swing	160,893	167,355	131,186	156,620	143,167
<b>MONTHLY SUPPLY PORTFOLIO - 2000 - 2001</b>					
City Gate	November	December	January	February	March
<b>Base</b>					
TGT FT-DA Transok	8,932	8,932	8,932	8,932	8,932
TGT NNS Injections	14,400	14,400	14,400	14,400	14,400
TGT NNS City Gate	5,600	5,600	5,600	5,600	5,600
Col Gulf Injections	15,720	31,440	37,728	37,728	37,728
ANR	5,000	5,000	5,000	5,000	5,000
Tennessee Zone 1	9,000	9,000	9,000	9,000	9,000
Col Gulf/KO	8,780	31,351	47,249	21,815	4,498
Total Base	67,432	105,723	127,909	102,475	85,158
<b>Swing</b>					
ANR	13,000	13,000	13,000	13,000	13,000
Tenn Zone 1	35,375	35,375	35,375	35,375	35,375
TGT FT-DA	3,878	3,878	3,878	3,878	3,878
TGT NNS	51,500	51,500	51,500	51,500	51,500
Columbia Gulf/KO	57,140	48,849	26,663	52,097	39,414
Total Firm Swing	160,893	152,602	130,416	155,850	143,167
<b>Storage</b>					
CGT-FSS	220,514	220,514	220,514	220,514	220,514
TGT-NNS	25,000	25,000	25,000	25,000	25,000
<b>Spot Swing</b>					
Col Gulf/KO	30,000	0	0	0	30,000
TGT NNS	-	-	-	-	-
TGT FT	-	-	-	-	-
Peaking Service	-	43,100	43,100	43,100	-
Propane	129,803	129,803	129,803	129,803	129,803
	861,967	935,068	935,068	935,068	861,967

<b>ULH&amp;P only</b>					
Adjusted Minimum Day	12,315	16,097	16,761	14,920	9,583
Injections CGT	2,688	5,377	6,452	6,452	6,452
Injections TGT	-	-	-	-	-
Min Day plus Injections	15,003	21,474	23,213	21,372	16,035
Swing	25,427	44,395	37,372	39,213	24,395
<b>MONTHLY SUPPLY PORTFOLIO - 2000 - 2001</b>					
City Gate	November	December	ULH&P only January	February	March
<b>Base</b>					
Columbia Gulf Injections	2,688	5,377	6,452	6,452	6,452
Tennessee Zone 1	3,700	7,800	7,800	7,800	3,700
Columbia Gulf / KO	8,615	8,297	8,961	7,120	5,883
Total Base	15,003	21,474	23,213	21,372	16,035
<b>Swing</b>					
Tennessee Zone 1	14,265	30,165	30,165	30,165	14,265
Columbia Gulf / KO	11,162	8,791	7,052	8,893	10,130
Total Firm Swing	25,427	38,956	37,217	39,058	24,395
<b>Storage</b>					
CGT-FSS	46,656	46,656	46,656	46,656	46,656
<b>Spot Swing</b>					
Col Gulf/KO	-	-	-	-	-
Tennessee Zone 1	20,000	-	-	-	20,000
<b>Peaking Service</b>					
Propane	19,416	19,416	19,416	19,416	19,416
	166,932	208,923	208,923	208,923	166,932

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**Gas Resources Department  
Hedging for Winter 2001-2002  
Remaining Base (Gross) by Supplier**

	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
<b>CG&amp;E</b>					
<b>Mirant</b>					
Columbia Gulf	13,968	16,879	37,374	19,623	18,411
Texas Gas	6,657	6,657	6,657	6,657	6,657
Tennessee	1,035	1,035	1,035	1,035	1,035
Total Base	21,660	24,571	45,066	27,315	26,103
Hedged to Date	20,660	20,660	20,660	12,500	12,500
Remaining	1,000	3,911	24,406	14,815	13,603
<b>Texaco</b>					
Columbia Gulf	4,800	24,000	35,000	26,000	17,000
Texas Gas	2,000	2,000	2,000	2,000	2,000
Total Base	6,800	26,000	37,000	28,000	19,000
Hedged to Date	0	0	0	0	0
Remaining	6,800	26,000	37,000	28,000	19,000
<b>Dynegy</b>					
Tennessee	2,000	2,000	2,000	2,000	2,000
Texas Gas	7,000	7,000	7,000	7,000	7,000
Columbia Gulf	2,000	10,000	10,000	10,000	2,000
Total Base	11,000	19,000	19,000	19,000	11,000
Hedged to Date	0	0	0	0	0
Remaining	11,000	19,000	19,000	19,000	11,000
<b>Aquila</b>					
Tennessee	6,500	6,500	6,500	6,500	6,500
Texas Gas	2,000	2,000	2,000	2,000	2,000
Columbia Gulf	4,000	12,160	4,000	4,000	4,000
Total Base	12,500	20,660	12,500	12,500	12,500
Hedged to Date	12,500	20,660	12,500	12,500	12,500
Remaining	0	0	0	0	0
<b>Anadarko</b>					
Columbia Gulf	1,000	3,000	3,000	3,000	3,000
Texas Gas	3,000	3,000	3,000	3,000	3,000
ANR	5,212	5,212	5,212	5,212	5,212
Total Base	9,212	11,212	11,212	11,212	11,212
Hedged to Date	0	0	0	0	0
Remaining	9,212	11,212	11,212	11,212	11,212
<b>ULH&amp;P</b>					
<b>Mirant</b>					
Columbia Gulf	5,888	8,381	10,210	8,273	6,973
Tennessee	1,920	5,264	6,264	6,264	1,920
Total Base	7,808	13,645	16,474	14,537	8,893
Hedged to Date	6,700	6,700	6,700	5,000	5,000
Remaining	1,108	6,945	9,774	9,537	3,893
<b>Aquila</b>					
Columbia Gulf	6,000	6,000	6,000	6,000	6,000
Tennessee	2,000	3,000	2,000	2,000	2,000
Total Base	8,000	9,000	8,000	8,000	8,000
Hedged to Date	0	1,700	0	0	0
Remaining	8,000	7,300	8,000	8,000	8,000
<b>Lawrenceburg</b>					
<b>Mirant</b>					
Texas Gas	1,450	1,570	2,110	1,840	1,720
Hedged to Date	540	540	540	400	400
Remaining	910	1,030	1,570	1,440	1,320
<b>Aquila</b>					
Texas Gas	0	140	0	0	0
Hedged to Date	0	140	0	0	0
Remaining	0	0	0	0	0

GAS RESOURCES SUPPLY PORTFOLIO  
NOVEMBER 1, 2001 - MARCH 31, 2002  
COMPARISON TO PREVIOUS YEAR  
(Gross Dth)

			Dth/day					Total
			November	December	January	February	March	Season Dth
<b>Mirant</b>								
Winter 01-02	Base		29,468	38,216	61,540	41,852	34,996	6,233,191
	Swing		55,616	70,246	55,085	78,771	40,889	9,026,962
	Total		85,084	108,462	116,625	120,623	75,885	15,260,153
Winter 00-01	Base		21,622	30,314	45,011	37,849	30,010	4,973,817
	Swing		76,980	76,856	52,159	58,319	72,160	10,178,757
	Total		98,602	107,170	97,170	96,168	102,170	15,152,574
Change	Base		7,846	7,902	16,529	4,003	4,986	1,259,374
	Swing		(21,364)	(6,610)	2,926	20,452	(31,271)	(1,151,795)
	Total		(13,518)	1,292	19,455	24,455	(26,285)	107,579
<b>Texaco</b>								
Winter 01-02	Base		6,800	26,000	37,000	28,000	19,000	3,530,000
	Swing		45,000	34,000	30,000	35,000	40,000	5,554,000
	Total		51,800	60,000	67,000	63,000	59,000	9,084,000
Winter 00-01	Base		15,000	21,000	42,000	34,000	24,000	4,099,000
	Swing		61,054	61,054	47,054	58,054	61,054	8,701,154
	Total		76,054	82,054	89,054	92,054	85,054	12,800,154
Change	Base		(8,200)	5,000	(5,000)	(6,000)	(5,000)	(569,000)
	Swing		(16,054)	(27,054)	(17,054)	(23,054)	(21,054)	(3,147,154)
	Total		(24,254)	(22,054)	(22,054)	(29,054)	(26,054)	(3,716,154)
<b>Dynegy</b>								
Winter 01-02	Base		11,000	19,000	19,000	19,000	11,000	2,381,000
	Swing		30,009	32,009	26,009	26,009	30,009	4,357,374
	Total		41,009	51,009	45,009	45,009	41,009	6,738,374
Winter 00-01	Base		6,000	9,000	28,000	19,000	10,000	2,169,000
	Swing		37,000	37,000	17,000	22,000	37,000	4,547,000
	Total		43,000	46,000	45,000	41,000	47,000	6,716,000
Change	Base		5,000	10,000	(9,000)	0	1,000	212,000
	Swing		(6,991)	(4,991)	9,009	4,009	(6,991)	(189,626)
	Total		(1,991)	5,009	9	4,009	(5,991)	22,374
<b>Aquila</b>								
Winter 01-02	Base		20,500	29,660	20,500	20,500	20,500	3,379,460
	Swing		28,000	28,000	28,000	28,000	28,000	4,228,000
	Total		48,500	57,660	48,500	48,500	48,500	7,607,460
Winter 00-01	Base		8,433	10,433	19,433	16,433	11,433	1,993,383
	Swing		31,302	31,302	26,302	31,302	31,302	4,571,602
	Total		39,735	41,735	45,735	47,735	42,735	6,564,985
Change	Base		12,067	19,227	1,067	4,067	9,067	1,386,077
	Swing		(3,302)	(3,302)	1,698	(3,302)	(3,302)	(343,602)
	Total		8,765	15,925	2,765	765	5,765	1,042,475
<b>Anadarko</b>								
Winter 01-02	Base		9,212	11,212	11,212	11,212	11,212	1,633,032
	Swing		36,552	36,552	36,552	36,552	36,552	5,519,284
	Total		45,764	47,764	47,764	47,764	47,764	7,152,316
Winter 00-01	Base		12,117	12,117	12,117	12,117	11,054	1,796,714
	Swing		27,350	27,350	27,350	27,350	28,413	4,162,803
	Total		39,467	39,467	39,467	39,467	39,467	5,959,517
Change	Base		(2,905)	(905)	(905)	(905)	158	(163,682)
	Swing		9,202	9,202	9,202	9,202	8,139	1,356,481
	Total		6,297	8,297	8,297	8,297	8,297	1,192,799
<b>Spot Base</b>								
Winter 01-02			9,225	9,225	9,225	9,225	9,225	1,392,975
Winter 00-01			9,234	9,234	9,234	9,234	9,234	1,394,334
Change			(9)	(9)	(9)	(9)	(9)	(1,359)
<b>Total Supply (Excl. Spot Swing &amp; Storage)</b>								
Winter 01-02			281,382	334,120	334,123	334,121	281,383	47,235,278
Winter 00-01			306,092	325,660	325,660	325,658	325,660	48,587,554
Change			(24,710)	8,460	8,463	8,463	(44,277)	(1,352,286)

**Gas Resources**  
**10 Year Average Winter City Gate Price**  
**Inside FERC First of Month Index**  
**Winter Supply Portfolio 2001-2002**

<b>Columbia Gulf FTS-1 FTS-2</b>		
Wellhead		\$2.7182
FTS 2 Fuel	99.303%	\$2.7373
FTS 2 Commodity	\$0.0039	\$2.7412
FTS 1 Fuel	97.098%	\$2.8231
FTS 1 Commodity	\$0.0170	\$2.8401
KO Fuel	98.610%	\$2.8801
KO Commodity	\$0.0022	<b>\$2.8823</b>

<b>Texas Gas FT</b>		<b>Zone SL</b>	<b>Transok</b>
Wellhead		\$2.7093	\$2.6293
TGT FT Fuel	96.730%	\$2.8009	\$2.7182
TGT FT Commodity	\$0.0417	<b>\$2.8426</b>	<b>\$2.7599</b>

<b>Texas Gas NNS</b>		<b>Zone SL</b>	<b>Transok</b>
Wellhead		\$2.7093	\$2.6293
TGT FT Fuel	96.820%	\$2.7983	\$2.7157
TGT FT Commodity	\$0.0471	<b>\$2.8454</b>	<b>\$2.7628</b>

<b>ANR</b>		
Wellhead		\$2.6640
ANR Fuel	95.930%	\$2.7770
ANR Comm	\$0.0127	<b>\$2.7897</b>

<b>Tennessee Zone 1 - 2</b>		
Wellhead		\$2.6680
Tenn Zone 1 Fuel	95.720%	\$2.7873
Tenn Zone 1 Comm.	\$0.0225	\$2.8098
KO Fuel	98.610%	\$2.8494
KO Commodity	\$0.0022	<b>\$2.8516</b>

**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES**

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<b>Total All Suppliers PIPELINE</b>		<b>TYPE of SUPPLY</b>	<b>AMOUNT of GAS SUPPLY</b>				
			<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
Columbia Gulf	CG&E	Firm Base	25,768	66,039	89,374	62,623	44,411
	ULH&P		11,888	14,381	16,210	14,273	12,973
			60,096	51,376	28,042	54,792	41,454
Columbia Gulf	CG&E	Firm Swing	11,739	9,245	7,417	9,353	10,654
	ULH&P						
Texas Gas	CG&E	Firm Base	20,657	20,657	20,657	20,657	20,657
	ULH&P		0	0	0	0	0
Texas Gas	CG&E	Firm Swing	57,201	57,201	57,201	57,201	57,201
	ULH&P		0	0	0	0	0
Tennessee	CG&E	Firm Base	9,535	9,535	9,535	9,535	9,535
	ULH&P		3,920	8,264	8,264	8,264	3,920
Tennessee	CG&E	Firm Swing	37,477	37,478	37,478	37,478	37,477
	ULH&P		15,113	31,956	31,957	31,957	15,113
ANR	CG&E	Firm Base	5,212	5,212	5,212	5,212	5,212
	ULH&P		0	0	0	0	0
ANR	CG&E	Firm Swing	13,552	13,552	13,552	13,552	13,552
	ULH&P		0	0	0	0	0
Texas Gas	CG&E	Spot Base	9,234	9,234	9,234	9,234	9,234
	ULH&P		0	0	0	0	0
Total Base			86,214	133,322	158,486	129,798	105,942
Total Swing			195,177	200,807	175,646	204,332	175,450
Total Supply			281,391	334,129	334,132	334,130	281,392
		Seasonal (1)	47,570,767				

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.



**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES**

Mirant PIPELINE	TYPE of GAS SUPPLY	AMOUNT of GAS SUPPLY						Reservation Fee	Commodity Index (2)	Swing Type
		November	December	January	February	March				
Columbia Gulf	CG&E	13,968	16,879	37,374	19,623	18,411	\$	0.0075	Inside FERC	Base
	ULH&P	5,888	8,381	10,210	8,273	6,973	\$	0.0075	Inside FERC	Base
Columbia Gulf	CG&E	22,096	18,376	5,042	26,792	8,454	\$	0.0100	Inside FERC	Keepwhole
	ULH&P	6,739	4,245	2,417	4,353	5,654	\$	0.0100	Inside FERC	Keepwhole
Texas Gas NNS	CG&E	6,657	6,657	6,657	6,657	6,657	\$	0.0075	Inside FERC	Base
	ULH&P	0	0	0	0	0	\$	0.0075	Inside FERC	Base
Texas Gas NNS	CG&E	9,191	9,191	9,191	9,191	9,191	\$	0.0100	Inside FERC	Keepwhole
	ULH&P	0	0	0	0	0	\$	0.0100	Inside FERC	Keepwhole
Tenn. Zone 1	CG&E	1,035	1,035	1,035	1,035	1,035	\$	0.0075	Inside FERC	Base
	ULH&P	1,920	5,264	6,264	6,264	1,920	\$	0.0075	Inside FERC	Base
Tenn. Zone 1	CG&E	10,477	14,478	14,478	14,478	10,477	\$	0.0100	Inside FERC	Keepwhole
	ULH&P	7,113	23,956	23,957	23,957	7,113	\$	0.0100	Inside FERC	Keepwhole
Mirant Base		29,468	38,216	61,540	41,852	34,996				
Mirant Swing		55,616	70,246	55,085	78,771	40,889				
Total Mirant		85,084	108,462	116,625	120,623	75,885				
	Seasonal	(1)								
	15,260,153									

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

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CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES

Texaco PIPELINE	TYPE of GAS SUPPLY	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
		November	December	January	February	March			
Columbia Gulf	CG&E ULH&P	4,800	24,000	35,000	26,000	17,000	\$ 0.0150	Inside FERC	Base
		0	0	0	0	0	\$ 0.0150	Inside FERC	Base
Columbia Gulf	CG&E ULH&P	25,000	20,000	10,000	15,000	20,000	\$ 0.0150	Inside FERC	Keepwhole
		0	0	0	0	0	\$ 0.0150	Inside FERC	Keepwhole
Texas Gas NNS	CG&E ULH&P	2,000	2,000	2,000	2,000	2,000	\$ 0.0150	Inside FERC	Base
		0	0	0	0	0	\$ 0.0150	Inside FERC	Base
Texas Gas NNS	CG&E ULH&P	20,000	14,000	20,000	20,000	20,000	\$ 0.0150	Inside FERC	Keepwhole
		0	0	0	0	0	\$ 0.0150	Inside FERC	Keepwhole
Tenn Zone 1	CG&E ULH&P	0	0	0	0	0	\$ 0.0150	Inside FERC	Base
		0	0	0	0	0	\$ 0.0150	Inside FERC	Base
Tenn Zone 1	CG&E ULH&P	0	0	0	0	0	\$ 0.0150	Inside FERC	Keepwhole
		0	0	0	0	0	\$ 0.0150	Inside FERC	Keepwhole
Texaco Base		6,800	26,000	37,000	28,000	19,000			
Texaco Swing		45,000	34,000	30,000	35,000	40,000			
Total Texaco	Seasonal 9,084,000	51,800	60,000	67,000	63,000	59,000			

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline for base volume.  
The swing volumes are at the Gas Daily Midpoint for the designated pipeline.

**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES**

PIPELINE	TYPE of GAS SUPPLY	AMOUNT of GAS SUPPLY						Reservation Fee	Commodity Index (2)	Swing Type
		November	December	January	February	March				
Tenn Zone 1	CG&E ULH&P	2,000	2,000	2,000	2,000	2,000	\$ 0.0125	Inside FERC	Base	
		0	0	0	0	0	\$ 0.0125	Inside FERC	Base	
Tenn Zone 1	CG&E ULH&P	17,000	13,000	13,000	13,000	17,000	\$ 0.0150	Gas Daily	Gas Daily	
		0	0	0	0	0	\$ 0.0150	Gas Daily	Gas Daily	
Texas Gas NNS	CG&E ULH&P	7,000	7,000	7,000	7,000	7,000	\$ 0.0150	Inside FERC	Base	
		0	0	0	0	0	\$ 0.0150	Inside FERC	Base	
Texas Gas NNS	CG&E ULH&P	4,000	10,000	4,000	4,000	4,000	\$ 0.0150	Gas Daily	Gas Daily	
		0	0	0	0	0	\$ 0.0150	Gas Daily	Gas Daily	
Texas Gas FT	CG&E	4,009	4,009	4,009	4,009	4,009	\$ 0.0150	Gas Daily	Gas Daily	
Columbia Gulf	CG&E ULH&P	2,000	10,000	10,000	10,000	2,000	\$ 0.0125	Inside FERC	Base	
		0	0	0	0	0	\$ 0.0125	Inside FERC	Base	
Columbia Gulf	CG&E ULH&P	5,000	5,000	5,000	5,000	5,000	\$ 0.0150	Gas Daily	Gas Daily	
		0	0	0	0	0	\$ 0.0150	Gas Daily	Gas Daily	
Dynegy Base		11,000	19,000	19,000	19,000	11,000				
Dynegy Swing		30,009	32,009	26,009	26,009	30,009				
Total Dynegy		41,009	51,009	45,009	45,009	41,009				

(1)  
Seasonal  
6,738,374

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

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**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES (Revised)**

Aquila PIPELINE	TYPE of GAS SUPPLY	AMOUNT of GAS SUPPLY						Reservation Fee	Commodity Index (2)	Swing Type
		November	December	January	February	March				
Tenn Zone 1	CG&E ULH&P	6,500	6,500	6,500	6,500	6,500	\$	0.0175	Cost Avg.	Base
		2,000	3,000	2,000	2,000	2,000	\$	0.0125	Inside FERC	Base
Tenn Zone 1	CG&E ULH&P	10,000	10,000	10,000	10,000	10,000	\$	0.0125	Inside FERC	Keepwhole
		8,000	8,000	8,000	8,000	8,000	\$	0.0125	Gas Daily	Gas Daily
Texas Gas NNS	CG&E ULH&P	2,000	2,000	2,000	2,000	2,000	\$	0.0175	Cost Avg	Base
		0	0	0	0	0	\$	0.0125	Inside FERC	Base
Texas Gas NNS	CG&E ULH&P	10,000	10,000	10,000	10,000	10,000	\$	0.0125	Inside FERC	Keepwhole
		0	0	0	0	0	\$	0.0125	Inside FERC	Keepwhole
Columbia Gulf	CG&E ULH&P	4,000	12,160	4,000	4,000	4,000	\$0.0175/\$0.01		Cst Avg&Fixed	Base
		6,000	6,000	6,000	6,000	6,000	\$	0.0100	FERC & Fixed	Base
Columbia Gulf	CG&E ULH&P	0	0	0	0	0	\$	0.0125	Inside FERC	Keepwhole
		5,000	5,000	5,000	5,000	5,000	\$	0.0125	Inside FERC	Keepwhole
Aquila Base		20,500	29,660	20,500	20,500	20,500				
Aquila Swing		33,000	33,000	33,000	33,000	33,000				
Total Aquila		53,500	62,660	53,500	53,500	53,500				
	Seasonal (1)	8,362,460								

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2001 - MARCH 31, 2002  
GROSS VOLUMES (Revised)**

Anadarko PIPELINE	TYPE of GAS SUPPLY	AMOUNT of GAS SUPPLY						Reservation Fee	Commodity Index (2)	Swing Type
		November	December	January	February	March				
Columbia Gulf	CG&E	1,000	3,000	3,000	3,000	3,000	\$ 0.0050	Inside FERC	Base	
	ULH&P	0	0	0	0	0	\$ 0.0050	Inside FERC	Base	
Columbia Gulf	CG&E	8,000	8,000	8,000	8,000	8,000	\$ 0.0075	Inside FERC	Keepwhole	
	ULH&P	0	0	0	0	0	\$ 0.0075	Inside FERC	Keepwhole	
Texas Gas NNS	CG&E	3,000	3,000	3,000	3,000	3,000	\$ 0.0050	Inside FERC	Base	
	ULH&P	0	0	0	0	0	\$ 0.0050	Inside FERC	Base	
Texas Gas NNS	CG&E	10,000	10,000	10,000	10,000	10,000	\$ 0.0075	Inside FERC	Keepwhole	
	ULH&P	0	0	0	0	0	\$ 0.0075	Inside FERC	Keepwhole	
ANR	CG&E	5,212	5,212	5,212	5,212	5,212	\$ 0.0050	Inside FERC	Base	
	ULH&P	0	0	0	0	0	\$ 0.0050	Inside FERC	Base	
ANR	CG&E	13,552	13,552	13,552	13,552	13,552	\$ 0.0075	Inside FERC	Keepwhole	
	ULH&P	0	0	0	0	0	\$ 0.0075	Inside FERC	Keepwhole	
Anadarko Base		9,212	11,212	11,212	11,212	11,212				
Anadarko Swing		31,552	31,552	31,552	31,552	31,552				
Total Anadarko		40,764	42,764	42,764	42,764	42,764				
	Seasonal (1)									
	6,397,316									

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Others	AMOUNT of GAS SUPPLY									
	PIPELINE	TYPE of GAS SUPPLY	November				December			
			9,234				9,234			
		Firm Base								
Texas Gas	CG&E	Transok	FTDA	0	0	0	0	0	0	0
	ULH&P	Transok	FT	0	0	0	0	0	0	0
Texas Gas	CG&E	WC 167	NNS	0	0	0	0	0	0	0
	ULH&P	WC 167	NNS	0	0	0	0	0	0	0
Texas Gas	CG&E	Champlin	FTDA	0	0	0	0	0	0	0
	ULH&P	Champlin	FTDA	0	0	0	0	0	0	0
Texas Gas	CG&E	Champlin	FT	0	0	0	0	0	0	0
	ULH&P	Champlin	FT	0	0	0	0	0	0	0

**Lawrenceburg Gas Co.  
Contracted Firm Supply (Gross)  
Reservation Fees  
Winter of 2000 - 2001**

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

**Lawrenceburg Division - Texas Gas/Mirant**

	Base Dth/day	Base Dth/Month	Reservation Fee	Base Res. Cost
November	1,450	43,500	\$ 0.0075	\$326.25
December	1,570	48,670	\$ 0.0075	\$365.03
January	2,110	65,410	\$ 0.0075	\$490.58
February	1,840	51,520	\$ 0.0075	\$386.40
March	1,720	53,320	\$ 0.0075	\$399.90

	Swing Dth/day	Swing Dth/Month	Reservation Fee	Swing Res. Cost
November	4,039	121,170	\$ 0.0100	\$1,211.70
December	3,779	117,149	\$ 0.0100	\$1,171.49
January	3,379	104,749	\$ 0.0100	\$1,047.49
February	3,649	102,172	\$ 0.0100	\$1,021.72
March	3,769	116,839	\$ 0.0100	\$1,168.39

**Lawrenceburg Division - Texas Gas/Aquila**

	Dth/day	Dth/Month	Fee	Res. Cost
November	0	0	\$ 0.0125	\$0.00
December	140	4,340	\$ 0.0125	\$54.25
January	0	0	\$ 0.0125	\$0.00
February	0	0	\$ 0.0125	\$0.00
March	0	0	\$ 0.0125	\$0.00

**Brookville Division - TETCO/Duke Energy Trading**

	Base Dth/day	Reservation Fee	Swing Dth/day	Reservation Fee	Total Dth/day
November	840	\$ -	0	\$ -	840
December	960	\$ -	0	\$ -	960
January	1,105	\$ -	0	\$ -	1,105
February	1,000	\$ -	0	\$ -	1,000
March	740	\$ -	0	\$ -	740

Gas Resources Department  
Supply Portfolio - November 2001 - March 2002  
Reservation Fees (Revised)

CG&E	Dth per Day					Total Volume	Reserv. Fee	Total Cost
	Nov	Dec	Jan	Feb	Mar			
<b>Mirant</b>								
Columbia Base	13,968	16,879	37,374	19,623	18,411	3,221,068	\$0.0075	\$24,158.01
Columbia Swing	22,096	18,376	5,042	26,792	8,454	2,401,088	\$0.0100	\$24,010.88
Texas Gas Base	6,657	6,657	6,657	6,657	6,657	1,005,207	\$0.0075	\$7,539.05
Texas Gas Swing	9,191	9,191	9,191	9,191	9,191	1,387,841	\$0.0100	\$13,878.41
Tennessee Base	1,035	1,035	1,035	1,035	1,035	156,285	\$0.0075	\$1,172.14
Tennessee Swing	10,477	14,478	14,478	14,478	10,477	1,942,117	\$0.0100	\$19,421.17
Total Mirant						10,113,606		\$90,179.66
<b>Texaco</b>								
Columbia Base	4,800	24,000	35,000	26,000	17,000	3,228,000	\$0.0150	\$48,420.00
Columbia Swing	25,000	20,000	10,000	15,000	20,000	2,720,000	\$0.0150	\$40,800.00
Texas Gas Base	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0150	\$4,530.00
Texas Gas Swing	20,000	14,000	20,000	20,000	20,000	2,834,000	\$0.0150	\$42,510.00
Total Texaco						9,084,000		\$136,260.00
<b>Dynegy</b>								
Columbia Base	2,000	10,000	10,000	10,000	2,000	1,022,000	\$0.0125	\$12,775.00
Columbia Swing	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0150	\$11,325.00
Tennessee Base	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0125	\$3,775.00
Tennessee Swing	17,000	13,000	13,000	13,000	17,000	2,207,000	\$0.0150	\$33,105.00
Texas Gas Base	7,000	7,000	7,000	7,000	7,000	1,057,000	\$0.0150	\$15,855.00
Texas Gas Swing	8,009	14,009	8,009	8,009	8,009	1,395,359	\$0.0150	\$20,930.39
Total Dynegy						6,738,359		\$97,765.39
<b>Aquila</b>								
Columbia Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0175	\$10,570.00
Columbia Base		8,160				252,960	\$0.0100	\$2,529.60
Columbia Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Base	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0175	\$5,285.00
Texas Gas Swing	10,000	10,000	10,000	10,000	10,000	1,510,000	\$0.0125	\$18,875.00
Tennessee Base	6,500	6,500	6,500	6,500	6,500	981,500	\$0.0175	\$17,176.25
Tennessee Swing	10,000	10,000	10,000	10,000	10,000	1,510,000	\$0.0125	\$18,875.00
Total Aquila						5,160,460		\$73,310.85
<b>Anadarko</b>								
Columbia Base	1,000	3,000	3,000	3,000	3,000	393,000	\$0.0050	\$1,965.00
Columbia Swing	8,000	8,000	8,000	8,000	8,000	1,208,000	\$0.0075	\$9,060.00
Texas Gas Base	3,000	3,000	3,000	3,000	3,000	453,000	\$0.0050	\$2,265.00
Texas Gas Swing	10,000	10,000	10,000	10,000	10,000	1,510,000	\$0.0075	\$11,325.00
ANR Base	5,212	5,212	5,212	5,212	5,212	787,012	\$0.0050	\$3,935.06
ANR Swing	13,552	13,552	13,552	13,552	13,552	2,046,352	\$0.0075	\$15,347.64
Total Anadarko						6,397,364		\$43,897.70
<b>Total CG&amp;E</b>						37,493,769		\$441,413.60
<b>ULH&amp;P</b>								
<b>Mirant</b>								
Columbia Base	5,888	8,381	10,210	8,273	6,973	1,200,768	\$0.0075	\$9,005.76
Columbia Swing	6,739	4,245	2,417	4,353	5,654	705,850	\$0.0100	\$7,058.50
Tennessee Base	1,920	5,264	6,264	6,264	1,920	649,880	\$0.0075	\$4,874.10
Tennessee Swing	7,113	23,956	23,957	23,957	7,113	2,589,992	\$0.0100	\$25,899.92
Total Mirant						5,146,490		\$46,838.28
<b>Aquila</b>								
Columbia Base	6,000	6,000	6,000	6,000	6,000	906,000	\$0.0100	\$9,060.00
Columbia Swing	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0125	\$9,437.50
Tennessee Base	2,000	3,000	2,000	2,000	2,000	333,000	\$0.0125	\$4,162.50
Tennessee Swing	8,000	8,000	8,000	8,000	8,000	1,208,000	\$0.0125	\$15,100.00
Total Aquila						3,202,000		\$37,760.00
<b>Total ULH&amp;P</b>						8,348,490		\$84,598.28
<b>Lawrenceburg</b>								
<b>Mirant</b>								
Texas Gas Base	1,450	1,570	2,110	1,840	1,720	262,420	\$0.0075	\$1,968.15
Texas Gas Swing	4,039	3,779	3,379	3,649	3,769	562,079	\$0.0100	\$5,620.79
Total Mirant						824,499		\$7,588.94
<b>Aquila</b>								
Texas Gas Base	0	140	0	0	0	4,340	\$0.0000	\$0.00
Texas Gas Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total Aquila						4,340		\$0.00
<b>Total Lawrenceburg</b>						828,839		\$7,588.94
<b>Total Company</b>						46,671,118		\$533,600.82



Gas Commercial Operations  
Winter 2002 - 2003 Supply Plan

Revisions to Supply

Duke refused to assign the contract to an asset manager.

Anadarko replaced Duke as a supplier, however they could not deliver the same volumes as Duke. Therefore, volumes with BP were increased to make up the difference.

BP did not want to provide swing gas on a "keepwhole" basis, so all swing was converted to Gas Daily.

After CM&T assumed the asset manager agreement, Mirant wanted out of all obligations to provide gas to CG&E. Mirant delivered the 20,000 dth/day of fixed price gas during the month of November, and then assigned the remaining term of the agreement to CM&T. CG&E will pay CM&T the same commodity cost and reservation fees that it would have paid to Mirant.

Revisions to Peaking Service

Dominion (Virginia Power Energy Marketing) agreed to provide 25 day peaking service for 10,000 dth/day to CG&E's Texas Gas Meter and 20,000 dth/day to Springboro to replace the peaking contract with Mirant. However, they would not agree to assign the agreement to CM&T. Therefore, CG&E will retain the contract and nominate the gas itself if necessary.

The reservation fee to be paid to VPEN is \$0.12 / dth based on the 25 days. (\$90,000)

Gas Commercial Operations  
Supply Portfolio - November 2002 - March 2003  
Revised (Anadarko in place of Duke)

CG&E	Dth per Day					Total Volume	Reserv. Fee	Total Cost
	Nov	Dec	Jan	Feb	Mar			
<b>Anadarko</b>								
Columbia Base	3,368	3,410	3,545	3,129	3,182	502,899	\$0.0050	\$2,514.50
Columbia Swing	6,017	5,975	5,840	5,256	5,203	855,236	\$0.0075	\$6,414.27
Texas Gas Base	9,222	9,222	9,222	9,222	9,222	1,392,522	\$0.0050	\$6,962.61
Texas Gas Swing	11,997	11,997	14,997	11,997	14,997	1,997,547	\$0.0075	\$14,981.60
Tennessee Base	3,278	3,278	3,278	3,278	3,278	494,978	\$0.0050	\$2,474.89
Tennessee Swing	6,840	6,840	6,840	6,840	6,840	1,032,840	\$0.0075	\$7,746.30
Total						6,276,022		\$41,094.17
<b>Mirant</b>								
Columbia Base	20,000	20,000	20,000	20,000	20,000	3,020,000	\$0.0125	\$37,750.00
Columbia Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Base	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Total						3,020,000		\$37,750.00
<b>BP</b>								
Columbia Base	2,000	29,000	52,000	26,000	17,000	3,826,000	\$0.0025	\$9,565.00
Columbia Swing	42,000	21,000	8,000	25,000	32,000	3,851,000	\$0.0050	\$19,255.00
Texas Gas Base	8,000	6,000	6,000	6,000	6,000	906,000	(\$0.0025)	(\$2,265.00)
Texas Gas Swing	18,996	18,996	18,996	18,996	18,996	2,868,396	\$0.0025	\$7,170.99
Tennessee Base	0	0	0	0	0	0	\$0.0025	\$0.00
Tennessee Swing	0	0	0	0	0	0	\$0.0025	\$0.00
Total						11,451,396		\$33,725.99
<b>Conoco</b>								
Columbia Base	2,000	16,000	16,000	16,000	8,000	1,748,000	\$0.0050	\$8,740.00
Columbia Swing	20,000	10,000	5,000	10,000	15,000	1,810,000	\$0.0050	\$9,050.00
Texas Gas Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0050	\$3,020.00
Texas Gas Swing	14,000	14,000	14,000	14,000	14,000	2,114,000	\$0.0050	\$10,570.00
Tennessee Base	0	0	0	0	0	0	\$0.0000	\$0.00
Tennessee Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total						6,276,000		\$31,380.00
<b>CM&amp;T</b>								
Columbia Base	1,000	1,000	1,000	1,000	1,000	151,000	\$0.0100	\$1,510.00
Columbia Swing	20,000	10,000	5,000	10,000	15,000	1,810,000	\$0.0025	\$4,525.00
Texas Gas Base	8,000	8,000	8,000	8,000	8,000	1,208,000	\$0.0025	\$3,020.00
Texas Gas Swing	18,000	18,000	15,000	18,000	15,000	2,532,000	\$0.0025	\$6,330.00
Tennessee Base	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0050	\$1,510.00
Tennessee Swing	14,000	14,000	14,000	14,000	14,000	2,114,000	\$0.0025	\$5,285.00
Total						8,117,000		\$22,160.00
<b>25 Day Peaking</b>								
Duke		50,000	50,000	50,000		4,500,000	\$0.0150	\$67,500.00
Proflance		9,400	9,400	9,400		235,000	\$0.3600	\$84,600.00
Virginia Power		30,000	30,000	30,000		750,000	\$0.1200	\$90,000.00
Total						5,485,000		\$242,100.00
<b>Total CG&amp;E</b>						<b>40,825,418</b>		<b>\$408,230.16</b>
<b>ULH&amp;P</b>								
<b>Anadarko</b>								
Columbia Base	7,468	7,075	6,898	6,985	6,596	1,057,259	\$0.0050	\$5,286.30
Columbia Swing	2,951	3,345	3,523	3,435	3,824	516,162	\$0.0075	\$3,871.22
Tennessee Base	2,222	4,443	4,443	4,443	2,222	535,412	\$0.0050	\$2,677.06
Tennessee Swing	10,114	8,000	8,000	8,000	10,114	1,336,954	\$0.0075	\$10,027.16
Total						3,445,787		\$21,861.73
<b>BP</b>								
Columbia Base	0	3,000	5,000	3,000	2,000	394,000	\$0.0025	\$985.00
Columbia Swing	4,000	1,000	1,000	2,000	2,000	300,000	\$0.0050	\$1,500.00
Total						694,000		\$2,485.00
<b>Conoco</b>								
Columbia Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0050	\$3,020.00
Columbia Swing	5,000	5,000	3,000	4,000	5,000	665,000	\$0.0050	\$3,325.00
Total						1,269,000		\$6,345.00
<b>CM&amp;T</b>								
Tennessee Base	2,000	4,000	4,000	4,000	2,000	482,000	\$0.0050	\$2,410.00
Tennessee Swing	10,000	29,000	29,000	29,000	10,000	3,220,000	\$0.0025	\$8,050.00
Total						3,702,000		\$10,460.00
<b>25 Day Peaking</b>								
Duke		23,500	23,500	23,500		2,115,000	\$0.0125	\$26,437.50
<b>Total ULH&amp;P</b>						<b>11,225,787</b>		<b>\$67,589.23</b>
<b>Lawrenceburg</b>								
<b>BP Energy</b>								
Texas Gas Base	1,100	1,350	1,760	1,490	1,360	213,290	\$0.0000	\$0.00
Texas Gas Swing	4,038	3,788	3,378	3,648	3,778	562,548	\$0.0100	\$5,625.48
Total Mirant						775,838		\$5,625.48
<b>Mirant</b>								
Texas Gas Base	350	350	350	350	350	52,850	\$0.0125	\$660.63
Texas Gas Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total Aquila						52,850		\$660.63
<b>Total Lawrenceburg</b>						<b>828,688</b>		<b>\$6,286.11</b>
<b>Total Company</b>						<b>52,679,893</b>		<b>\$482,105.49</b>

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

Anadarko

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			

Columbia Gulf

Firm Base								
CG&E	3,368	3,410	3,545	3,129	3,182	\$ 0.0050	Inside FERC	Base
ULH&P	7,468	7,075	6,898	6,985	6,596	\$ 0.0050	Inside FERC	Base
Firm Swing								
CG&E	6,017	5,975	5,840	5,256	5,203	\$ 0.0075	Inside FERC	Keepwhole
ULH&P	2,951	3,345	3,523	3,435	3,824	\$ 0.0075	Inside FERC	Keepwhole

Texas Gas NNS

Firm Base								
CG&E	4,058	4,058	4,058	4,058	4,058	\$ 0.0050	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	2,572	2,572	5,572	2,572	5,572	\$ 0.0075	Inside FERC	Keepwhole
ULH&P								

Texas Gas STF

Firm Base								
CG&E	5,164	5,164	5,164	5,164	5,164	\$ 0.0050	Inside FERC	Base
Firm Swing								
CG&E	9,426	9,426	9,426	9,426	9,426	\$ 0.0075	Inside FERC	Keepwhole

Tennessee

Firm Base								
CG&E	3,278	3,278	3,278	3,278	3,278	\$ 0.0050	Inside FERC	Base
ULH&P	2,222	4,443	4,443	4,443	2,222	\$ 0.0050	Inside FERC	Base
Firm Swing								
CG&E	6,840	6,840	6,840	6,840	6,840	\$ 0.0075	Inside FERC	Keepwhole
ULH&P	10,114	8,000	8,000	8,000	10,114	\$ 0.0075	Inside FERC	Keepwhole

Anadarko Base	25,558	27,428	27,386	27,057	24,500			
Anadarko Swing	37,919	36,157	39,200	35,528	40,978			
Total Anadarko	63,477	63,585	66,586	62,585	65,478			

Seasonal (1)  
9,721,827

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Mirant

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			
<u>Columbia Gulf</u>								
Firm Base								
CG&E	20,000	20,000	20,000	20,000	20,000	\$ 0.0125	\$3.8755/dth	Base
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
<u>Texas Gas NNS</u>								
Firm Base								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
ULH&P								
<u>Tennessee</u>								
Firm Base								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
Mirant Base	20,000	20,000	20,000	20,000	20,000			
Mirant Swing	0	0	0	0	0			
Total Mirant	20,000	20,000	20,000	20,000	20,000			

Seasonal  
3,020,000

(1)

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline for base volume.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

**BP Energy**

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			
<b>Columbia Gulf</b>								
Firm Base								
CG&E	2,000	29,000	52,000	26,000	17,000	\$ 0.0025	(3)	Base
ULH&P	0	3,000	5,000	3,000	2,000	\$ 0.0025	(4)	Base
Firm Swing								
CG&E	42,000	21,000	8,000	25,000	32,000	\$ 0.0050	Gas Daily	Gas Daily
ULH&P	4,000	1,000	1,000	2,000	2,000	\$ 0.0050	Gas Daily	Gas Daily
<b>Texas Gas NNS</b>								
Firm Base								
CG&E	6,000	6,000	6,000	6,000	6,000	\$ (0.0025)	(5)	Base
ULH&P								
Firm Swing								
CG&E	15,000	15,000	15,000	15,000	15,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P								
<b>Texas Gas FT</b>								
Firm Swing								
CG&E	3,996	3,996	3,996	3,996	3,996	\$ 0.0025	Gas Daily	Gas Daily
<b>Tennessee</b>								
Firm Base								
CG&E	0	0	0	0	0	\$ 0.0025	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0025	Inside FERC	Base
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0025	Gas Daily	Gas Daily
ULH&P	0	0	0	0	0	\$ 0.0025	Gas Daily	Gas Daily
BP Energy Base	8,000	38,000	63,000	35,000	25,000			
BP Energy Swing	64,996	40,996	27,996	45,996	52,996			
Total BP Energy	72,996	78,996	90,996	80,996	77,996			
							Seasonal 12,145,345	(1)

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

(3) - Collar of \$3.92 - \$4.90 on 2,000 dth/day Nov-Mar (based on Inside FERC FOMI). Remaining Dth at Inside FERC FOMI

(4) - Fixed Price: Dec: \$4.28 / Jan: \$4.33 / Feb: \$4.21 / Mar: \$4.07

(5) - Collar: \$3.92 - \$4.90

**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES**

**CONFIDENTIAL PROPRIETARY  
TRADE SECRET**

**Conoco**

<u>Conoco</u>	AMOUNT of GAS SUPPLY					Reservation	Commodity	Swing
	November	December	January	February	March	Fee	Index (2)	Type
<u>Columbia Gulf</u>								
Firm Base								
CG&E	2,000	16,000	16,000	16,000	8,000	\$ 0.0050	Inside FERC	Base
ULH&P	4,000	4,000	4,000	4,000	4,000	\$ 0.0050	Inside FERC	Base
Firm Swing								
CG&E	20,000	10,000	5,000	10,000	15,000	\$ 0.0050	Gas Daily	Gas Daily
ULH&P	5,000	5,000	3,000	4,000	5,000	\$ 0.0050	Gas Daily	Gas Daily
<u>Texas Gas NNS</u>								
Firm Base								
CG&E	4,000	4,000	4,000	4,000	4,000	\$ 0.0050	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	10,000	10,000	10,000	10,000	10,000	\$ 0.0050	Gas Daily	Gas Daily
ULH&P								
<u>Texas Gas STF</u>								
Firm Swing								
CG&E	4,000	4,000	4,000	4,000	4,000	\$ 0.0050	Gas Daily	Gas Daily
<u>Tennessee</u>								
Firm Base								
CG&E	0	0	0	0	0			
ULH&P	0	0	0	0	0			
Firm Swing								
CG&E	0	0	0	0	0			
ULH&P	0	0	0	0	0			
Conoco Base	10,000	24,000	24,000	24,000	16,000			
Conoco Swing	39,000	29,000	22,000	28,000	34,000			
Total Conoco	49,000	53,000	46,000	52,000	50,000			
							Seasonal 7,545,000	(1)

Seasonal 7,545,000	(1)
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**Note:**

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES**

**CONFIDENTIAL PROPRIETARY  
TRADE SECRET**

**Cinergy M&T**

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			
<b><u>Columbia Gulf</u></b>								
Firm Base								
CG&E	1,000	1,000	1,000	1,000	1,000	\$ 0.0100	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0100	Inside FERC	Base
Firm Swing								
CG&E	20,000	10,000	5,000	10,000	15,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P	0	0	0	0	0	\$ 0.0025	Gas Daily	Gas Daily
<b><u>Texas Gas NNS</u></b>								
Firm Base								
CG&E	8,000	8,000	8,000	8,000	8,000	\$ 0.0025	(3)	Base
ULH&P								
Firm Swing								
CG&E	18,000	18,000	15,000	18,000	15,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P								
<b><u>Tennessee</u></b>								
Firm Base								
CG&E	2,000	2,000	2,000	2,000	2,000	\$ 0.0050	Inside FERC	Base
ULH&P	2,000	4,000	4,000	4,000	2,000	\$ 0.0050	(4)	Base
Firm Swing								
CG&E	14,000	14,000	14,000	14,000	14,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P	10,000	29,000	29,000	29,000	10,000	\$ 0.0025	Gas Daily	Gas Daily
Cinergy M&T Base	13,000	15,000	15,000	15,000	13,000			
Cinergy M&T Swing	62,000	71,000	63,000	71,000	54,000			
Total Cinergy M&T	75,000	86,000	78,000	86,000	67,000			
							Seasonal 11,819,000	(1)

**Note:**

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

(3) - Collar of \$3.2475 - \$3.9775 Dec-Jan (based on NYMEX Penultimate less \$0.0125 basis). Nov, Feb, and Mar at Inside FERC FOMI

(4) - Nov-Jan fixed at \$3.40/dth. Feb-Mar at Inside FERC FOMI

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

Others

			AMOUNT of GAS SUPPLY				
			November	December	January	February	March
<u>Texas Gas</u>							
Transok Firm Base							
CG&E	FTDA		9,234	9,234	9,234	9,234	9,234
ULH&P	FT		0	0	0	0	0
WC 167							
CG&E	NNS		0	0	0	0	0
ULH&P	NNS		0	0	0	0	0
Champlin							
CG&E	FTDA		0	0	0	0	0
ULH&P	FTDA		0	0	0	0	0
Champlin							
CG&E	FT		0	0	0	0	0
ULH&P	FT		0	0	0	0	0

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Gas Commercial Operations  
Supply Portfolio - November 2002 - March 2003  
Revised (Anadarko in place of Duke)

CG&E	Dth per Day					Total Volume	Reserv. Fee	Total Cost
	Nov	Dec	Jan	Feb	Mar			
<b>Anadarko</b>								
Columbia Base	3,368	3,410	3,545	3,129	3,182	502,899	\$0.0050	\$2,514.50
Columbia Swing	6,017	5,975	5,840	5,256	5,203	855,236	\$0.0075	\$6,414.27
Texas Gas Base	9,222	9,222	9,222	9,222	9,222	1,392,522	\$0.0050	\$6,962.61
Texas Gas Swing	11,997	11,997	14,997	11,997	14,997	1,997,547	\$0.0075	\$14,981.60
Tennessee Base	3,278	3,278	3,278	3,278	3,278	494,978	\$0.0050	\$2,474.89
Tennessee Swing	6,840	6,840	6,840	6,840	6,840	1,032,840	\$0.0075	\$7,746.30
Total						6,276,022		\$41,094.17
<b>Mirant</b>								
Columbia Base	20,000	20,000	20,000	20,000	20,000	3,020,000	\$0.0125	\$37,750.00
Columbia Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Base	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Total						3,020,000		\$37,750.00
<b>BP</b>								
Columbia Base	2,000	29,000	52,000	26,000	17,000	3,826,000	\$0.0025	\$9,565.00
Columbia Swing	42,000	21,000	8,000	25,000	32,000	3,851,000	\$0.0050	\$19,255.00
Texas Gas Base	6,000	6,000	6,000	6,000	6,000	906,000	\$0.0025	\$2,265.00
Texas Gas Swing	18,996	18,996	18,996	18,996	18,996	2,868,396	\$0.0025	\$7,170.99
Tennessee Base	0	0	0	0	0	0	\$0.0025	\$0.00
Tennessee Swing	0	0	0	0	0	0	\$0.0025	\$0.00
Total						11,451,396		\$33,725.99
<b>Conoco</b>								
Columbia Base	2,000	16,000	16,000	16,000	8,000	1,748,000	\$0.0050	\$8,740.00
Columbia Swing	20,000	10,000	5,000	10,000	15,000	1,810,000	\$0.0050	\$9,050.00
Texas Gas Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0050	\$3,020.00
Texas Gas Swing	14,000	14,000	14,000	14,000	14,000	2,114,000	\$0.0050	\$10,570.00
Tennessee Base	0	0	0	0	0	0	\$0.0000	\$0.00
Tennessee Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total						6,276,000		\$31,380.00
<b>CM&amp;T</b>								
Columbia Base	1,000	1,000	1,000	1,000	1,000	151,000	\$0.0100	\$1,510.00
Columbia Swing	20,000	10,000	5,000	10,000	15,000	1,810,000	\$0.0025	\$4,525.00
Texas Gas Base	8,000	8,000	8,000	8,000	8,000	1,208,000	\$0.0025	\$3,020.00
Texas Gas Swing	18,000	18,000	15,000	18,000	15,000	2,532,000	\$0.0025	\$6,330.00
Tennessee Base	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0050	\$1,510.00
Tennessee Swing	14,000	14,000	14,000	14,000	14,000	2,114,000	\$0.0025	\$5,285.00
Total						8,117,000		\$22,180.00
<b>25 Day Peaking</b>								
Duke		50,000	50,000	50,000		4,500,000	\$0.0150	\$67,500.00
Proliance		9,400	9,400	9,400		846,000	\$0.1000	\$84,600.00
Mirant		30,000	30,000	30,000		2,700,000	\$0.0800	\$216,000.00
Total						8,046,000		\$368,100.00
<b>Total CG&amp;E</b>						<b>43,186,418</b>		<b>\$534,230.16</b>
<b>ULH&amp;P</b>								
<b>Anadarko</b>								
Columbia Base	7,468	7,075	6,898	6,985	6,596	1,057,259	\$0.0050	\$5,286.30
Columbia Swing	2,951	3,345	3,523	3,435	3,824	516,162	\$0.0075	\$3,871.22
Tennessee Base	2,222	4,443	4,443	4,443	2,222	535,412	\$0.0050	\$2,677.06
Tennessee Swing	10,114	8,000	8,000	8,000	10,114	1,336,954	\$0.0075	\$10,027.16
Total						3,445,787		\$21,861.73
<b>BP</b>								
Columbia Base	0	3,000	5,000	3,000	2,000	394,000	\$0.0025	\$985.00
Columbia Swing	4,000	1,000	1,000	2,000	2,000	300,000	\$0.0050	\$1,500.00
Total						694,000		\$2,485.00
<b>Conoco</b>								
Columbia Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0050	\$3,020.00
Columbia Swing	5,000	5,000	3,000	4,000	5,000	665,000	\$0.0050	\$3,325.00
Total						1,269,000		\$6,345.00
<b>CM&amp;T</b>								
Tennessee Base	2,000	4,000	4,000	4,000	2,000	482,000	\$0.0050	\$2,410.00
Tennessee Swing	10,000	29,000	29,000	29,000	10,000	3,220,000	\$0.0025	\$8,050.00
Total						3,702,000		\$10,460.00
<b>25 Day Peaking</b>								
Duke		23,500	23,500	23,500		2,115,000	\$0.0125	\$26,437.50
<b>Total ULH&amp;P</b>						<b>11,225,787</b>		<b>\$67,569.23</b>
<b>Lawrenceburg</b>								
<b>BP Energy</b>								
Texas Gas Base	1,100	1,350	1,760	1,490	1,360	213,290	\$0.0000	\$0.00
Texas Gas Swing	4,038	3,788	3,378	3,648	3,778	562,548	\$0.0100	\$5,625.48
Total Mirant						775,838		\$5,625.48
<b>Mirant</b>								
Texas Gas Base	350	350	350	350	350	52,850	\$0.0125	\$660.63
Texas Gas Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total Aquila						52,850		\$660.63
<b>Total Lawrenceburg</b>						<b>828,688</b>		<b>\$6,286.11</b>
<b>Total Company</b>						<b>55,240,893</b>		<b>\$608,105.45</b>

20.7

6.2

11.3

33.0

18.7

31-Jul-02

**Gas Commercial Operations  
Winter 2002 - 2003 Supply Plan**

**Selecting Suppliers**

Some of the suppliers utilized in the past are out of business or no longer selling gas, so RFPs were sent out to a variety of producers and marketers.

Five suppliers were chosen from the ten who responded to the RFP. (Mirant, Duke, BP Energy, Conoco and Cinergy Marketing & Trade. (See page 2).

The five suppliers chosen have credit ratings of at least BBB+ (except Mirant which has a BBB-)

A certain amount of gas has already been "locked in" with Mirant as part of CG&E's and Lawrenceburg's hedging plans, so 20,000 dth/day for CG&E and 350 dth/day for Lawrenceburg will be reserved with Mirant.

Duke had the lowest base gas bid for reservations fees, offering a discount from the index on Texas Gas and Tennessee Pipelines. However, the Gas Daily Swing included a provision to charge the "absolute High" rather than the "midpoint" for OFO days. This could increase costs from \$0.12 - \$1.50 per dth. Therefore, the swing with Duke will be keepwhole to avoid this risk.

BP and Conoco both offered low reservation fees, and are producers rather than marketers.

The fifth supplier came down to CM&T or Anadarko, both of which have sold natural gas to CG&E/ULH&P in the past. Although Anadarko is a producer, their volumes were limited on all three pipelines, and their reservation fees would be around \$50,000 higher than CM&T's. Therefore, CM&T was chosen.

**Allocating Volumes**

The amount of "Base" gas was determined by adding the minimum daily load for a given month to the maximum daily quantity for injections (See pages 3 -5)

Reservation fees, supplier volume constraints, proven dependability, credit ratings and diversity of supply points were all considered in allocating the base and swing to the five suppliers. (See pages 6 - 12)

To address concerns brought up by Liberty in ULH&P's management audit, three suppliers will be used for ULH&P rather than only 2. Conoco and CM&T were chosen in addition to Duke since they had the lowest reservation fee for Gas Daily Swing.

Swing was allocated 50% Gas Daily and 50% Keepwhole. The Gas Daily swing will be through Conoco and CM&T.

**Other Considerations**

BP and Conoco specifically state in their response to the RFP that the price for base gas can be locked in at the "NYMEX price" prior to the close of NYMEX trading.

Supply will be reserved for the 20,000 dth/day of Tennessee Interruptible Storage during the months of December - February to protect against possible interruption of delivery of the storage gas.

Any anticipated reduction in CG&E's FT/RFT MDQ from the estimated 128,000 dth will be met by purchasing additional firm pipeline capacity and associated firm supply along with city gate peaking service.

**Lawrenceburg**

Supply for Lawrenceburg will be contracted with BP except for the portion of "locked in" gas which was purchased with Mirant. (See page 13).

**Total Reservation Fees**

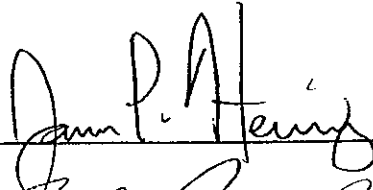
Total reservation fees for the winter 2001-2002 for all three companies will be approximately \$115,000, a decrease of \$411,000 from last year. (See page 14)

**THE CINCINNATI GAS & ELECTRIC COMPANY  
THE UNION LIGHT, HEAT, AND POWER COMPANY  
2002-2003 WINTER SEASON  
SUPPLY PORTFOLIO  
FOR GCR CUSTOMERS**

**RECOMMENDATION**

This sheet signifies that upper management has approved the suppliers and the contracted volumes for the winter of 2002-2003 period subject to reaching satisfactory agreements with the suppliers.

Recommendation:



Date: 7/31/2002

Approval:



Date: 7/31/02

2002-03 WINTER SUPPLIER COMPARISON

Dependability :									
Very Dependable	Very Dependable	New Winter Supplier	Very Dependable	Very Dependable	New Winter Supplier	Very Dependable	New Winter Supplier	New Winter Supplier	New Winter Supplier
Dynegy	Mirant	Proliance	Noble	Occidental	Andarko	Ch&T	BP Energy	Duke	Conoco
Kristy Molina (713) 787-8349	Lou Perrotta (878) 579-3235	John Bucklew 937-312-8898	Wally Klein (281) 876-8817	Scott Wells 713-215-7737	John Ruppel 832-536-7153	Brian Smith 713-993-6952	Nick Komuta 281-366-4947	Bob Poston 713-993-1712	Terry Filp 281-293-1771
(713) 507-8538	(878) 579-3970	937-312-0504	(281) 876-8846	713-215-7486	832-536-7147	281-366-4929	281-366-4929	713-993-0266	281-293-3525
Yes	BBB-	None on TGas	Yes	BBB	Yes	Yes	Yes	Yes	Yes
Ex+			BBB		BBB+	BBB+	AA+	A-	BBB+
0.0150	0.0125	-	0.0100	0.0125	0.0050	0.0100	0.0025	0.0000	0.0050
0.0150	0.0125	-	0.0125	0.0175	0.0075	0.0100	0.0025	0.0050	0.0050
0.0150	0.0100	-	0.0150	0.0175	0	0.0025	0.01	0.01	0.005
0.3000	0.5100	-	0.3150	0.3100	0.0000	-	0.2550	-	0.2550
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI
GD Midpoint	GD Midpoint		GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint (1)	GD Midpoint
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI
0.0150	0.0125	0.0190	0.0100	0.0125	0.0050	0.0025	0.0000	-0.0025	0.0050
0.0150	0.0125	0.0190	0.0125	0.0175	0.0075	0.0025	0.0000	-0.0026	0.0050
0.0150	0.0100	0.0190	0.0150	0.0175	0	0.0025	0.0100	0.0100 (2)	0.005
0.3000	0.5100	-	0.3150	0.3100	0.0000	-	0.2550	-	0.2550
IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI
IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI
GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint (1)	GD Midpoint
IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI
0.0150	0.0125	-	0.0100	0.0125	0.0050	0.0050	0.0025	-0.0025	
0.0150	0.0125	-	0.0125	0.0175	0.0075	0.0050	0.0025	-0.0026	
0.0150	0.0100	-	0.0150	0.0175	0.0000	0.0025	0.01	0.0075	
0.3000	0.5100	-	0.3150	0.3100	0.0000	-	0.255	0.255	
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	
GD Midpoint	GD Midpoint		GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	
0.0150	0.0125	-	0.0100	0.0125	0.0050	0.0050	0.0025	-0.0025	
0.0150	0.0125	-	0.0125	0.0175	0.0075	0.0050	0.0025	-0.0026	
0.0150	0.0100	-	0.0150	0.0175	0.0000	0.0025	0.01	0.0075	
0.3000	0.5100	-	0.3150	0.3100	0.0000	-	0.255	0.255	
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	
GD Midpoint	GD Midpoint		GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	GD Midpoint	
IF FOMI	IF FOMI		IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	IF FOMI	

NOTE:  
(1) - During an OFO (?) the price is the "High" of the pipeline's Gas Daily "Absolute High"  
(2) - 1st 25,000 Dth/d = \$0.005/Dth, next 25,000Dth/d add \$0.01/Dth, remaining Swing add \$0.016/Dth

Weekend Swing  
Intra-day Swing

Best Efforts	Best Efforts	Best Efforts	Best Efforts	Best Efforts	Best Efforts
5	2				

**DEVELOPMENT OF THE WINTER SUPPLY PORTFOLIO FOR 2002-03**  
**CITY GATE VOLUMES - CG&E and ULH&P**

	November	December	January	February	March
Adjusted Minimum Day for GCR	47,627	74,980	91,542	64,267	42,613
Injections CGT	18,670	37,342	44,810	44,810	44,810
Injections TGT	16,200	16,200	16,200	16,200	16,200
Min Day plus Injections	82,497	128,522	152,552	125,277	103,623
Expectation for the FT/RFT Program MDQ					
1,002,000	140,000	140,000	140,000	140,000	140,000
	13.97%	13.97%	13.97%	13.97%	13.97%

	November	December	January	February	March
GCR Base Supply	82,497	128,522	152,552	125,277	103,623
Swing	196,564	211,395	173,300	200,141	175,478
Spot Swing	20,000	-	-	-	20,000
Storage					
CGT-FSS	267,170	267,170	267,170	267,170	267,170
TGT-NNS	25,000	25,000	25,000	25,000	25,000
Peaking	-	112,908	112,908	112,908	-
Propane	159,137	159,137	159,137	159,137	159,137

**MONTHLY SUPPLY PORTFOLIO - 2000 - 2001**

City Gate	November	December	January	February	March
<b>Base</b>					
TGT FT	8,941	8,941	8,941	8,941	8,941
TGT NNS Injections	16,200	16,200	16,200	16,200	16,200
TGT NNS City Gate	10,000	10,000	10,000	10,000	10,000
Col Gulf Injections	18,670	37,342	44,810	44,810	44,810
Tennessee Zone 1	9,000	13,000	13,000	13,000	9,000
Col Gulf/KO	19,686	43,039	59,601	32,326	14,672
Total Firm Base	82,497	128,522	152,552	125,277	103,623
<b>Swing</b>					
Tenn Zone 1	38,801	54,801	54,801	54,801	38,801
TGT FT-DA	3,869	3,869	3,869	3,869	3,869
TGT NNS	56,800	56,800	56,800	56,800	56,800
Columbia Gulf/KO	96,253	54,228	30,198	57,473	75,127
Total Firm Swing	195,723	169,698	145,668	172,943	174,597
<b>Storage</b>					
CGT-FSS	267,170	267,170	267,170	267,170	267,170
TGT-NNS	25,000	25,000	25,000	25,000	25,000
<b>Spot Swing</b>					
Col Gulf/KO	0	0	0	0	0
Tennessee Zone 1	20,000	-	-	-	20,000
TGT FT & FTDA	-	-	-	-	-
Peaking Service	-	112,908	112,908	112,908	-
Propane	159,137	159,137	159,137	159,137	159,137
<b>Total Supply</b>	<b>749,527</b>	<b>862,435</b>	<b>862,435</b>	<b>862,435</b>	<b>749,527</b>

7/30/2002

# **CG&E Only**

Adjusted Minimum Day	35,312	58,883	74,781	49,347	33,030
Injections CGT	15,943	31,888	38,265	38,265	38,265
Injections TGT	16,200	16,200	16,200	16,200	16,200
Min Day plus Injections	67,455	106,971	129,246	103,812	87,495

Swing	166,000	167,000	131,000	156,000	146,000
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## **MONTHLY SUPPLY PORTFOLIO - 2000 - 2001**

### **CG&E Only**

City Gate	November	December	January	February	March
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#### **Base**

TGT FT-DA Transok	8,941	8,941	8,941	8,941	8,941
TGT NNS Injections	16,200	16,200	16,200	16,200	16,200
TGT NNS City Gate	10,000	10,000	10,000	10,000	10,000
Col Gulf Injections	15,943	31,888	38,265	38,265	38,265
Tennessee Zone 1	5,000	5,000	5,000	5,000	5,000
Col Gulf/KO	11,371	34,942	50,840	25,406	9,089
Total Base	67,455	106,971	129,246	103,812	87,495

#### **Swing**

Tenn Zone 1	19,745	19,745	19,745	19,745	19,745
TGT FT-DA	3,869	3,869	3,869	3,869	3,869
TGT NNS	56,800	56,800	56,800	56,800	56,800
Columbia Gulf/KO	84,745	45,229	22,954	48,388	64,705
Total Firm Swing	165,159	125,643	103,368	128,802	145,119

#### **Storage**

CGT-FSS	220,514	220,514	220,514	220,514	220,514
TGT-NNS	25,000	25,000	25,000	25,000	25,000

#### **Spot Swing**

Col Gulf/KO	-	-	-	-	-
TGT NNS	-	-	-	-	-
TGT FT	-	-	-	-	-
Peaking Service	-	89,400	89,400	89,400	-
Propane	140,209	140,209	140,209	140,209	140,209

	618,337	707,737	707,737	707,737	618,337
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7/30/2002

<b>ULH&amp;P only</b>					
Adjusted Minimum Day	12,315	16,097	16,761	14,920	9,583
Injections CGT	2,727	5,454	6,545	6,545	6,545
Injections TGT	-	-	-	-	-
Min Day plus Injections	15,042	21,551	23,306	21,465	16,128
Swing	30,564	44,395	42,300	44,141	29,478
<b>MONTHLY SUPPLY PORTFOLIO - 2000 - 2001</b>					
City Gate	November	December	ULH&P only January	February	March
<b>Base</b>					
Columbia Gulf Injections	2,727	5,454	6,545	6,545	6,545
Tennessee Zone 1	4,000	8,000	8,000	8,000	4,000
Columbia Gulf / KO	8,315	8,097	8,761	6,920	5,583
Total Base	15,042	21,551	23,306	21,465	16,128
<b>Swing</b>					
Tennessee Zone 1	19,056	35,056	35,056	35,056	19,056
Columbia Gulf / KO	11,508	8,999	7,244	9,085	10,422
Total Firm Swing	30,564	44,055	42,300	44,141	29,478
<b>Storage</b>					
CGT-FSS	46,656	46,656	46,656	46,656	46,656
<b>Spot Swing</b>	-	-	-	-	-
Col Gulf/KO	-	-	-	-	-
Tennessee Zone 1	20,000	-	-	-	20,000
<b>Peaking Service</b>	-	23,508	23,508	23,508	-
<b>Propane</b>	18,928	18,928	18,928	18,928	18,928
	131,190	154,698	154,698	154,698	131,190

**CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES**

**Total All Suppliers**

**AMOUNT of GAS SUPPLY**

**November December January February March**

**Columbia Gulf**

Firm Base					
CG&E	28,368	69,410	92,545	66,129	49,182
ULH&P	11,468	14,075	15,898	13,985	12,596
Firm Swing					
CG&E	88,017	46,975	23,840	50,256	67,203
ULH&P	11,951	9,345	7,523	9,435	10,824

**Texas Gas**

Firm Base					
CG&E	27,260	27,260	27,260	27,260	27,260
ULH&P	0	0	0	0	0
Firm Swing					
CG&E	63,095	63,095	63,094	63,095	63,094
ULH&P	0	0	0	0	0

**Tennessee**

Firm Base					
CG&E	5,278	5,278	5,278	5,278	5,278
ULH&P	2,000	4,000	4,000	4,000	2,000
Firm Swing					
CG&E	20,840	20,840	20,840	20,840	20,840
ULH&P	20,114	37,000	37,000	37,000	20,114

**Texas Gas**

Spot Base					
CG&E	9,234	9,234	9,234	9,234	9,234
ULH&P	0	0	0	0	0

Total Base	83,608	129,257	154,215	125,886	105,550
Total Swing	204,017	177,255	152,297	180,626	182,075
Total Supply	287,625	306,512	306,512	306,512	287,625
					<b>Seasonal (1)</b> <b>45,437,723</b>

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.



CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

Duke

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			

Columbia Gulf

Firm Base

CG&E 3,368 16,410 39,545 13,129 12,182 \$ - Inside FERC Base

ULH&P 7,468 10,075 11,898 9,985 8,596 \$ - Inside FERC Base

Firm Swing

CG&E 18,017 11,975 6,840 15,256 17,203 \$ - Inside FERC Keepwhole

ULH&P 6,951 4,345 4,523 5,435 5,824 \$ - Inside FERC Keepwhole

Texas Gas NNS

Firm Base

CG&E 9,260 9,260 9,260 9,260 9,260 \$ (0.0025) Inside FERC Base

ULH&P

Firm Swing

CG&E 12,099 12,099 15,098 12,099 15,098 \$ (0.0025) Inside FERC Keepwhole

ULH&P

Tennessee

Firm Base

CG&E 3,278 3,278 3,278 3,278 3,278 \$ (0.0025) Inside FERC Base

ULH&P 2,222 4,443 4,443 4,443 2,222 \$ (0.0025) Inside FERC Base

Firm Swing

CG&E 6,840 6,840 6,840 6,840 6,840 \$ (0.0025) Inside FERC Keepwhole

ULH&P 10,114 8,000 8,000 8,000 10,114 \$ (0.0025) Inside FERC Keepwhole

Duke Base 25,596 43,466 68,424 40,095 35,538

Duke Swing 54,021 43,259 41,301 47,630 55,079

Total Duke 79,617 86,725 109,725 87,725 90,617

Seasonal  
13,743,944 (1)

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

**Mirant**

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			
<u>Columbia Gulf</u>								
Firm Base								
CG&E	20,000	20,000	20,000	20,000	20,000	\$ 0.0125	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
<u>Texas Gas NNS</u>								
Firm Base								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
ULH&P								
<u>Tennessee</u>								
Firm Base								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Base
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
ULH&P	0	0	0	0	0	\$ 0.0125	Inside FERC	Keepwhole
Mirant Base	20,000	20,000	20,000	20,000	20,000			
Mirant Swing	0	0	0	0	0			
Total Mirant	20,000	20,000	20,000	20,000	20,000			
							Seasonal 3,020,000	(1)

Seasonal 3,020,000	(1)
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Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline for base volume.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

**BP Energy**

	AMOUNT of GAS SUPPLY					Reservation	Commodity	Swing
	November	December	January	February	March	Fee	Index (2)	Type
<b>Columbia Gulf</b>								
Firm Base								
CG&E	2,000	16,000	16,000	16,000	8,000	\$ 0.0025	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0025	Inside FERC	Base
Firm Swing								
CG&E	30,000	15,000	7,000	15,000	20,000	\$ 0.0025	Inside FERC	Keepwhole
ULH&P	0	0	0	0	0	\$ 0.0025	Inside FERC	Keepwhole
<b>Texas Gas NNS</b>								
Firm Base								
CG&E	6,000	6,000	6,000	6,000	6,000	\$ -	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	15,000	15,000	15,000	15,000	15,000	\$ 0.0025	Inside FERC	Keepwhole
ULH&P								
<b>Texas Gas FT</b>								
Firm Swing								
CG&E	3,996	3,996	3,996	3,996	3,996	\$ 0.0025	Inside FERC	Keepwhole
<b>Tennessee</b>								
Firm Base								
CG&E	0	0	0	0	0	\$ 0.0025	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0025	Inside FERC	Base
Firm Swing								
CG&E	0	0	0	0	0	\$ 0.0025	Inside FERC	Keepwhole
ULH&P	0	0	0	0	0	\$ 0.0025	Inside FERC	Keepwhole
BP Energy Base	8,000	22,000	22,000	22,000	14,000			
BP Energy Swing	48,996	33,996	25,996	33,996	38,996			
Total BP Energy	56,996	55,996	47,996	55,996	52,996			
							Seasonal 8,144,345	(1)

Seasonal 8,144,345	(1)
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**Note:**

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

Conoco

Conoco	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			
<u>Columbia Gulf</u>								
Firm Base								
CG&E	2,000	16,000	16,000	16,000	8,000	\$ 0.0050	Inside FERC	Base
ULH&P	4,000	4,000	4,000	4,000	4,000	\$ 0.0050	Inside FERC	Base
Firm Swing								
CG&E	20,000	10,000	5,000	10,000	15,000	\$ 0.0050	Gas Daily	Gas Daily
ULH&P	5,000	5,000	3,000	4,000	5,000	\$ 0.0050	Gas Daily	Gas Daily
<u>Texas Gas NNS</u>								
Firm Base								
CG&E	4,000	4,000	4,000	4,000	4,000	\$ 0.0050	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	14,000	14,000	14,000	14,000	14,000	\$ 0.0050	Gas Daily	Gas Daily
ULH&P								
<u>Tennessee</u>								
Firm Base								
CG&E	0	0	0	0	0			
ULH&P	0	0	0	0	0			
Firm Swing								
CG&E	0	0	0	0	0			
ULH&P	0	0	0	0	0			
Conoco Base	10,000	24,000	24,000	24,000	16,000			
Conoco Swing	39,000	29,000	22,000	28,000	34,000			
Total Conoco	49,000	53,000	46,000	52,000	50,000			
							Seasonal 7,545,000	(1)

Seasonal 7,545,000	(1)
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Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

The swing volumes are at the Gas Daily Midpoint for the designated pipeline.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

Cinergy M&T

	AMOUNT of GAS SUPPLY					Reservation Fee	Commodity Index (2)	Swing Type
	November	December	January	February	March			
<u>Columbia Gulf</u>								
Firm Base								
CG&E	1,000	1,000	1,000	1,000	1,000	\$ 0.0100	Inside FERC	Base
ULH&P	0	0	0	0	0	\$ 0.0100	Inside FERC	Base
Firm Swing								
CG&E	20,000	10,000	5,000	10,000	15,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P	0	0	0	0	0	\$ 0.0025	Gas Daily	Gas Daily
<u>Texas Gas NNS</u>								
Firm Base								
CG&E	8,000	8,000	8,000	8,000	8,000	\$ 0.0025	Inside FERC	Base
ULH&P								
Firm Swing								
CG&E	18,000	18,000	15,000	18,000	15,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P								
<u>Tennessee</u>								
Firm Base								
CG&E	2,000	2,000	2,000	2,000	2,000	\$ 0.0050	Inside FERC	Base
ULH&P	2,000	4,000	4,000	4,000	2,000	\$ 0.0050	Inside FERC	Base
Firm Swing								
CG&E	14,000	14,000	14,000	14,000	14,000	\$ 0.0025	Gas Daily	Gas Daily
ULH&P	10,000	29,000	29,000	29,000	10,000	\$ 0.0025	Gas Daily	Gas Daily
Cinergy M&T Base	13,000	15,000	15,000	15,000	13,000			
Cinergy M&T Swing	62,000	71,000	63,000	71,000	54,000			
Total Cinergy M&T	75,000	86,000	78,000	86,000	67,000			
							Seasonal 11,819,000	(1)

Note:

(1) - Seasonal Quantity are stated at 100% Load Factor.

(2) - Index represents the Inside FERC, first of the month index for the designated pipeline.

The swing volumes are at the Gas Daily Midpoint for the designated pipeline.

CONSOLIDATED COMPANIES  
SUMMARY OF SUPPLIERS  
NOVEMBER 1, 2002 - MARCH 31, 2003  
GROSS VOLUMES

Others

			AMOUNT of GAS SUPPLY				
			November	December	January	February	March
<u>Texas Gas</u>							
Transok Firm Base							
CG&E	FTDA		9,234	9,234	9,234	9,234	9,234
ULH&P	FT		0	0	0	0	0
WC 167							
CG&E	NNS		0	0	0	0	0
ULH&P	NNS		0	0	0	0	0
Champlin							
CG&E	FTDA		0	0	0	0	0
ULH&P	FTDA		0	0	0	0	0
Champlin							
CG&E	FT		0	0	0	0	0
ULH&P	FT		0	0	0	0	0

CONFIDENTIAL PROPRIETARY  
TRADE SECRETGas Commercial Operations  
Supply Portfolio - November 2002 - March 2003  
Reservation Fees

	Dth per Day					Total	Reserv.	Total
	Nov	Dec	Jan	Feb	Mar	Volume	Fee	Cost
<b>CG&amp;E</b>								
<b>Duke</b>								
Columbia Base	3,368	16,410	39,545	13,129	12,182	2,580,899	\$0.0000	\$0.00
Columbia Swing	18,017	11,975	6,840	15,256	17,203	2,084,236	\$0.0000	\$0.00
Texas Gas Base	9,260	9,260	9,260	9,260	9,260	1,398,260	(\$0.0025)	(\$3,495.65)
Texas Gas Swing	12,099	12,099	15,098	12,099	15,098	2,012,887	(\$0.0025)	(\$5,032.22)
Tennessee Base	3,278	3,278	3,278	3,278	3,278	494,978	(\$0.0025)	(\$1,237.45)
Tennessee Swing	6,840	6,840	6,840	6,840	6,840	1,032,640	(\$0.0025)	(\$2,582.10)
Total						9,604,100		(\$12,347.41)
<b>Mirant</b>								
Columbia Base	20,000	20,000	20,000	20,000	20,000	3,020,000	\$0.0125	\$37,750.00
Columbia Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Base	0	0	0	0	0	0	\$0.0125	\$0.00
Texas Gas Swing	0	0	0	0	0	0	\$0.0125	\$0.00
Total						3,020,000		\$37,750.00
<b>BP</b>								
Columbia Base	2,000	16,000	16,000	16,000	8,000	1,748,000	\$0.0025	\$4,370.00
Columbia Swing	30,000	15,000	7,000	15,000	20,000	2,622,000	\$0.0025	\$6,555.00
Texas Gas Base	6,000	6,000	6,000	6,000	6,000	906,000	\$0.0000	\$0.00
Texas Gas Swing	18,996	18,996	18,996	18,996	18,996	2,868,396	\$0.0025	\$7,170.99
Tennessee Base	0	0	0	0	0	0	\$0.0025	\$0.00
Tennessee Swing	0	0	0	0	0	0	\$0.0025	\$0.00
Total						8,144,396		\$18,095.99
<b>Conoco</b>								
Columbia Base	2,000	16,000	16,000	16,000	8,000	1,748,000	\$0.0050	\$8,740.00
Columbia Swing	20,000	10,000	5,000	10,000	15,000	1,810,000	\$0.0050	\$9,050.00
Texas Gas Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0050	\$3,020.00
Texas Gas Swing	14,000	14,000	14,000	14,000	14,000	2,114,000	\$0.0050	\$10,570.00
Tennessee Base	0	0	0	0	0	0	\$0.0000	\$0.00
Tennessee Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total						6,276,000		\$31,380.00
<b>CM&amp;T</b>								
Columbia Base	1,000	1,000	1,000	1,000	1,000	151,000	\$0.0100	\$1,510.00
Columbia Swing	20,000	10,000	5,000	10,000	15,000	1,810,000	\$0.0025	\$4,525.00
Texas Gas Base	8,000	8,000	8,000	8,000	8,000	1,208,000	\$0.0025	\$3,020.00
Texas Gas Swing	18,000	18,000	15,000	18,000	15,000	2,532,000	\$0.0025	\$6,330.00
Tennessee Base	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0050	\$1,510.00
Tennessee Swing	14,000	14,000	14,000	14,000	14,000	2,114,000	\$0.0025	\$5,285.00
Total						8,117,000		\$22,180.00
<b>Total CG&amp;E</b>						35,161,496		\$97,058.58
<b>ULH&amp;P</b>								
<b>Duke</b>								
Columbia Base	7,468	10,075	11,898	9,985	8,596	1,451,259	\$0.0000	\$0.00
Columbia Swing	6,951	4,345	4,523	5,435	5,824	816,162	\$0.0000	\$0.00
Tennessee Base	2,222	4,443	4,443	4,443	2,222	535,412	(\$0.0025)	(\$1,338.53)
Tennessee Swing	10,114	8,000	8,000	8,000	10,114	1,336,954	(\$0.0025)	(\$3,342.39)
Total						4,139,787		(\$4,680.92)
<b>Conoco</b>								
Columbia Base	4,000	4,000	4,000	4,000	4,000	604,000	\$0.0050	\$3,020.00
Columbia Swing	5,000	5,000	3,000	4,000	5,000	665,000	\$0.0050	\$3,325.00
Total						1,269,000		\$6,345.00
<b>CM&amp;T</b>								
Tennessee Base	2,000	4,000	4,000	4,000	2,000	482,000	\$0.0050	\$2,410.00
Tennessee Swing	10,000	29,000	29,000	29,000	10,000	3,220,000	\$0.0025	\$8,050.00
Total						3,702,000		\$10,460.00
<b>Total ULH&amp;P</b>						9,110,787		\$12,124.09
<b>Lawrenceburg</b>								
<b>BP Energy</b>								
Texas Gas Base	1,100	1,350	1,760	1,490	1,360	213,280	\$0.0000	\$0.00
Texas Gas Swing	4,038	3,788	3,378	3,648	3,778	562,548	\$0.0100	\$5,625.48
Total Mirant						775,838		\$5,625.48
<b>Mirant</b>								
Texas Gas Base	350	350	350	350	350	52,850	\$0.0125	\$660.63
Texas Gas Swing	0	0	0	0	0	0	\$0.0000	\$0.00
Total Aquila						52,850		\$660.63
<b>Total Lawrenceburg</b>						828,688		\$6,286.11
<b>Total Company</b>						45,100,971		\$115,468.77

Gas Commercial Operations  
Summer Supply Portfolio

	Three Suppliers		Lowest Cost	
	Supplier	Reservation Fee	Supplier	Reservation Fee
<b><u>CG&amp;E</u></b>				
<b><u>Base</u></b>				
Columbia Gulf Base	ONEOK	\$129,660	ONEOK/Constellation	\$114,262
Texas Gas Base	Coral	\$33,390	Coral	\$33,390
		<u>\$163,050</u>		<u>\$147,652</u>
<b><u>Swing</u></b>				
Columbia Gulf Swing	ONEOK	\$38,486	ONEOK	\$38,486
Columbia Gas Swing	Conoco	\$36,280	Conoco	\$36,280
		<u>\$74,766</u>		<u>\$74,766</u>
<b>Total CG&amp;E</b>		<u><b>\$237,816</b></u>		<u><b>\$222,418</b></u>
<b><u>ULH&amp;P</u></b>				
Columbia Gulf Base	ONEOK	\$38,925	ONEOK/Constellation	\$34,303
Columbia Gulf Swing	ONEOK	\$5,580	ONEOK	\$5,580
Columbia Gas Swing	Conoco	\$14,870	Conoco	\$14,870
		<u>\$20,450</u>		<u>\$20,450</u>
<b>Total ULH&amp;P</b>		<u><b>\$59,375</b></u>		<u><b>\$54,752</b></u>
<b><u>Lawrenceburg</u></b>				
Texas Gas Base	ONEOK	\$5,138	Coral	\$2,535
Texas Gas Swing	ONEOK	\$1,218	Duke (volumes taken)	\$1,218
<b>Total Lawrenceburg</b>		<u><b>\$6,355</b></u>		<u><b>\$3,752</b></u>

Total Base	\$207,112	\$184,489
Total Swing	\$96,434	\$96,434
Total Reservation Fees	<b>\$303,546</b>	<b>\$280,923</b>



# REQUEST FOR PROPOSAL

CONFIDENTIAL PROPRIETARY  
TRADE SECRET

PURCHASER

The Cincinnati Gas & Electric Company (CG&E)

## G&E Requirements

[ volumes stated as dekatherms into pipeline ]

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711
Columbia Gas	Leach, Ky	Firm Swing	92,000	0	0	0	0	0	28,000

## Conoco Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT		
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	\$194,490	
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	\$38,486	\$0.0143
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	\$101,523	\$0.0225
Columbia Gas	Leach, Ky	Firm Swing	92,000	0	0	0	0	0	28,000	\$36,280	\$0.01

## CM&T Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT		
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	\$151,270	
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	\$38,486	\$0.0116
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	\$90,242	\$0.0200
Columbia Gas	Leach, Ky	Firm Swing	30,000	0	0	0	0	0	28,000	\$126,980	\$0.035

## P Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT		
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	\$129,660	
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	\$76,972	\$0.0126
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	\$67,682	\$0.0150
Columbia Gas	Leach, Ky	Firm Swing	10,000	0	0	0	0	0	28,000	\$163,520	\$0.140

(CGT Mainline + Rayne to Leach Fuel)

## ONEOK Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT		
Columbia Gulf	Onshore	Firm Base	54,000	46,000	41,000	40,000	36,000	34,000	32,000	\$129,660	
Columbia Gulf	Onshore	Firm Swing	35,217	35,000	33,000	32,000	30,000	29,000	57,217	\$38,486	\$0.0103
Texas Gas	SL	Firm Base	11,989	11,989	24,711	24,711	24,711	24,711	24,711	\$67,682	\$0.0150
Columbia Gas	Leach, Ky	Firm Swing	0	0	0	0	0	0	0		

## Duke Proposal

PIPELINE	PIPELINE DELIVERY ZONE	SUPPLY TYPE	APR	MAY	JUN	JUL	AUG	SEP	OCT		
Columbia Gulf	Onshore	Firm Base	20,000	20,000	20,000	20,000	20,000	20,000	20,000	\$128,400	
Columbia Gulf	Onshore	Firm Swing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	\$21,400	\$0.023
Texas Gas	SL	Firm Base	11,989	11,989	20,000	20,000	20,000	20,000	20,000	\$113,740	\$0.030
Columbia Gas	Leach, Ky	Firm Swing	10,000	0	0	0	0	0	10,000	\$24,400	\$0.040

(volumes taken)

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 03-0119-GA-FOR, 03-0219-GA-GCR**

Summary: Confidential Document Released from confidential status. electronically filed by Ms. Donielle M Hunter on behalf of PUCO