FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
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FILER

PSI ENERGY INC

CIK:**81020**| IRS No.: **350594457** | State of Incorp.:**IN** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-03543** | Film No.: **94527747**
SIC: **4911** Electric services

Business Address
1000 E MAIN ST
PLAINFIELD IN 46168
3178399611

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1994

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-3543

PSI ENERGY, INC.
(Exact name of registrant as specified in its charter)

INDIANA	35-0594457
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1000 East Main Street
Plainfield, Indiana 46168
(Address of principal executive offices)

Telephone number: (317) 839-9611

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

(APPLICABLE ONLY TO CORPORATE ISSUERS:)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.
Common Stock - without par value; $.01 stated value - 53,913,701 shares outstanding at April 30, 1994, all of which were held by PSI Resources, Inc.

PSI ENERGY, INC.

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<TABLE>

PSI ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
ASSETS

<CAPTION>

	March 31 1994 (unaudited)	December 31 1993
	(thousands)	
<S>	<C>	<C>
Electric Utility Plant - original cost		
In service	$3 480 081	$3 449 127
Accumulated depreciation.	1 482 751	1 455 871
	1 997 330	1 993 256
Construction work in progress	265 769	243 802
Total electric utility plant.	2 263 099	2 237 058
Current Assets		
Cash and temporary cash investments	2 497	4 582
Restricted deposits	40 003	49 111
Accounts receivable	42 783	28 657
Income tax refunds.	9 300	28 900
Fossil fuel - at average cost	69 390	45 315
Materials and supplies - at average cost. .	30 282	31 212
Other	2 514	2 669
	196 769	190 446
Other Assets		
Regulatory assets	147 676	118 809
Unamortized costs of reacquiring debt . . .	38 890	39 504
Unamortized debt expense.	9 435	9 332
Other	64 912	53 280
	260 913	220 925
	$2 720 781	$2 648 429

The accompanying notes are an integral part of these consolidated financial statements.

</TABLE>

<TABLE>

PSI ENERGY, INC.
CAPITALIZATION AND LIABILITIES

<CAPTION>

	March 31 1994 (unaudited)	December 31 1993
	(thousands)	
<S>	<C>	<C>
Common Stock Equity		
Common stock - without par value; $.01 stated value; authorized shares - 60,000,000; outstanding shares - 53,913,701 at March 31, 1994 and December 31, 1993.	$ 539	$ 539
Paid-in capital	229 282	229 288
Accumulated earnings subsequent to November 30, 1986 quasi-reorganization	498 809	483 242
Total common stock equity	728 630	713 069
Cumulative Preferred Stock - Not Subject to Mandatory Redemption.	187 979	187 989
Long-term Debt	865 187	816 152
Total capitalization.	1 781 796	1 717 210
Current Liabilities		

Long-term debt due within one year.	160	160
Notes payable	213 256	126 701
Accounts payable.	111 874	144 093
Refund due to customers	47 348	81 832
Litigation settlement	80 000	80 000
Advance under accounts receivable purchase agreement.	-	49 940
Accrued taxes	59 617	37 269
Accrued interest and customers' deposits. . . .	15 391	25 792
	527 646	545 787
Other Liabilities		
Deferred income taxes	295 262	281 417
Unamortized investment tax credits.	63 656	64 721
Other	52 421	39 294
	411 339	385 432
	$2 720 781	$2 648 429

</TABLE>

<TABLE>

PSI ENERGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

<CAPTION>

	Quarter Ended March 31		Twelve Months Ended March 31	
	1994	1993	1994	1993
	(thousands)		(thousands)	
<S>	<C>	<C>	<C>	<C>
Operating Revenues	$301 267	$285 748	$1 093 788	$1 086 401
Operating Expenses				
Operation				
Fuel	107 537	104 619	388 845	399 099
Purchased and exchanged power. . .	14 660	2 719	36 214	10 549
Other operation.	46 496	45 830	187 361	183 826
Maintenance.	20 060	20 053	84 027	86 019
Depreciation	33 432	30 280	129 973	118 750
Post-in-service deferred depreciation	(2 280)	(387)	(6 962)	(387)
Taxes				
Federal and state income	20 354	20 425	64 840	70 246
State, local, and other.	12 782	11 462	46 797	42 438
	253 041	235 001	931 095	910 540
Operating Income	48 226	50 747	162 693	175 861
Other Income and Expense - Net				
Allowance for equity funds used during construction.	3 072	2 092	12 153	5 026
Post-in-service carrying costs . . .	2 201	762	7 444	762
Other - net.	(2 580)	(2 128)	6 037	(1 734)
	2 693	726	25 634	4 054
Income Before Interest	50 919	51 473	188 327	179 915
Interest				
Interest on long-term debt	16 524	16 775	68 695	64 201
Other interest	2 096	1 430	4 857	7 949
Allowance for borrowed funds used during construction.	(2 534)	(2 110)	(9 578)	(6 560)
	16 086	16 095	63 974	65 590
Net Income	34 833	35 378	124 353	114 325
Preferred Dividend Requirement	3 296	2 301	13 820	7 343
Income Applicable to Common Stock. . .	$ 31 537	$ 33 077	$ 110 533	$ 106 982

The accompanying notes are an integral part of these consolidated financial statements.
/TABLE

<TABLE>

PSI ENERGY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON STOCK EQUITY
(unaudited)

<CAPTION>

	Common Stock	Paid-in Capital	Accumulated Earnings
		(thousands)	
<S>	<C>	<C>	<C>
Quarter Ended March 31, 1994			
Balance January 1, 1994	$539	$229 288	$483 242
Net income.			34 833

Costs of retiring preferred stock . . .		(6)	
Dividends on preferred stock.			(3 296)
Dividends on common stock			(15 970)
Balance March 31, 1994.	$539	$229 282	$498 809
Quarter Ended March 31, 1993			
Balance January 1, 1993	$539	$221 812	$432 747
Net income.			35 378
Dividends on preferred stock.			(1 682)
Dividends on common stock			(15 050)
Other		(749)	
Balance March 31, 1993.	$539	$221 063	$451 393
Twelve Months Ended March 31, 1994			
Balance April 1, 1993	$539	$221 063	$451 393
Net income.			124 353
Costs of issuing and retiring preferred stock		(1 887)	
Dividends on preferred stock.			(13 902)
Dividends on common stock			(63 111)
Other		10 106	76
Balance March 31, 1994.	$539	$229 282	$498 809
Twelve Months Ended March 31, 1993			
Balance April 1, 1992	$539	$221 830	$399 597
Net income.			114 325
Costs of retiring preferred stock . . .		(18)	
Dividends on preferred stock.			(6 724)
Dividends on common stock			(55 766)
Other		(749)	(39)
Balance March 31, 1993.	$539	$221 063	$451 393

The accompanying notes are an integral part of these consolidated financial statements.

</TABLE>

<TABLE>

PSI ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<CAPTION>

<S>	Quarter Ended March 31 1994 (thousands) <C>	Quarter Ended March 31 1993 (thousands) <C>	Twelve Months Ended March 31 1994 (thousands) <C>	Twelve Months Ended March 31 1993 (thousands) <C>
OPERATING ACTIVITIES				
Net income.	$ 34 833	$ 35 378	$ 124 353	$ 114 325
Items providing (using) cash currently:				
Depreciation.	33 432	30 280	129 973	118 750
Deferred income taxes and investment tax credits - net	7 943	(337)	76 383	10 084
Allowance for equity funds used during construction.	(3 072)	(2 092)	(12 153)	(5 026)
Regulatory assets - excluding demand-side management costs.	(10 508)	(6 843)	(33 574)	(13 559)
Changes in current assets and current liabilities				
Restricted deposits	(69)	(68)	(70)	(244)
Accounts receivable	(14 126)	(2 884)	(4 074)	(8 718)
Income tax refunds.	19 600	-	(9 300)	-
Fossil fuel and materials and supplies.	(23 145)	23 321	12 955	19 797
Accounts payable.	(32 219)	2 957	21 239	(9 832)
Refund due to customers	(34 484)	-	(91 786)	2 063
Advance under accounts receivable purchase agreement.	(49 940)	-	-	-
Accrued taxes and interest.	12 039	9 659	(6 124)	8 146
Other items - net	(7 440)	(8 251)	(21 972)	(15 255)
Net cash provided by (used in) operating activities.	(67 156)	81 120	185 850	220 531
FINANCING ACTIVITIES				
Issuance of preferred stock	-	96 850	59 475	96 850
Issuance of long-term debt.	49 068	78 688	212 084	284 136
Funds on deposit from issuance of long-term debt.	9 177	(60 372)	38 207	(48 806)
Retirement of preferred stock	(4)	-	(60 111)	-
Redemption of long-term debt.	-	-	(207 880)	(90 000)
Change in short-term debt	86 555	(105 801)	198 256	(69 300)

Dividends on preferred stock.	(3 296)	(1 682)	(13 902)	(6 724)
Dividends on common stock	(15 970)	(15 050)	(63 111)	(55 766)
Other items - net	-	2 433	10 105	2 433
Net cash provided by (used in) financing activities.	125 530	(4 934)	173 123	112 823
INVESTING ACTIVITIES				
Utility plant additions	(57 112)	(76 548)	(342 171)	(316 950)
Allowance for equity funds used during construction.	3 072	2 092	12 153	5 026
Demand-side management costs.	(6 419)	(4 324)	(32 831)	(19 455)
Equity investment in Argentine utility.	-	(94)	-	(599)
Net cash provided by (used in) investing activities.	(60 459)	(78 874)	(362 849)	(331 978)
Net increase (decrease) in cash and temporary cash investments.	(2 085)	(2 688)	(3 876)	1 376
Cash and temporary cash investments at beginning of period	4 582	9 061	6 373	4 997
Cash and temporary cash investments at end of period	$ 2 497	$ 6 373	$ 2 497	$ 6 373

The accompanying notes are an integral part of these consolidated financial statements.
</TABLE>

PSI ENERGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. These Consolidated Financial Statements reflect all adjustments (which include only normal, recurring adjustments) necessary in the opinion of PSI Energy, Inc. (Energy) for a fair presentation of the interim results. These statements should be read in conjunction with Energy's 1993 Annual Report on Form 10-K, as amended (1993 Form 10-K) (Commission File Number 1-3543). Certain amounts in the 1993 Consolidated Financial Statements have been reclassified to conform to the 1994 presentation.

2. In February 1994, Energy issued $50 million, 7 1/8% first mortgage bonds, Series AAA, due February 1, 2024. These bonds are not redeemable prior to February 1, 2004, and are redeemable thereafter at the option of Energy. The proceeds from this debt issuance were used to reduce short-term debt incurred to finance construction.

3. As disclosed in the 1993 Form 10-K, PSI Resources, Inc. (Resources), Energy, and The Cincinnati Gas & Electric Company (CG&E) entered into an Agreement and Plan of Reorganization dated as of December 11, 1992, which was subsequently amended and restated on July 2, 1993, and as of September 10, 1993 (as amended and restated, the "Merger Agreement"). Under the Merger Agreement, Resources will be merged with and into a newly formed corporation named CINergy Corp. (CINergy) and a subsidiary of CINergy will be merged with and into CG&E (collectively referred to as the "Mergers"). In August 1993, the Federal Energy Regulatory Commission (FERC) conditionally approved the Mergers. Certain parties petitioned for rehearing of the FERC's conditional approval. Given the issues raised on the requests for rehearing and the lack of certainty in the record regarding state regulatory powers, on January 12, 1994, the FERC issued an order withdrawing its prior conditional approval of the Mergers and initiating a 60-day, FERC-sponsored settlement procedure.

   In connection with the 60-day, FERC-sponsored settlement procedure and other collaborative discussions, Resources, Energy, CINergy, the Indiana Utility Consumer Counselor, the Citizens Action Coalition of Indiana, Inc., and industrial customer representatives reached a global settlement agreement on merger-related issues. This agreement was filed with the Indiana Utility Regulatory Commission (IURC) on March 2, 1994, and was approved by the IURC in its entirety on March 29, 1994. On March 4, 1994, CG&E, the Public Utilities Commission of Ohio, and the Ohio Office of Consumers Counsel reached an agreement substantially similar to the Indiana agreement. Both settlement agreements were filed with the FERC on March 4, 1994. Additional settlements were also filed with the FERC involving other parties that had intervened in the FERC Mergers approval proceeding.

   Initial comments regarding the settlements were filed with the FERC on April 12, 1994, and reply comments were filed on April 21, 1994. American Electric Power, Dayton Power and Light Company, Indiana Municipal Power Agency, and the American Forest and Paper Association opposed acceptance of the settlements without a hearing on grounds previously raised in their various pleadings filed with the FERC. In both their initial and reply comments, the FERC staff recommended acceptance of the settlements and approval of the Mergers without further hearing.

CG&E also filed with the FERC a unilateral offer of settlement addressing all issues raised in the Kentucky Public Service Commission's (KPSC) application for rehearing with the FERC. On March 15, 1994, CG&E filed an application with the KPSC seeking approval of the indirect acquisition of control of CG&E's Kentucky subsidiary, The Union Light, Heat and Power Company. A public hearing was held on May 10, 1994, and the KPSC is expected to complete action on the application by mid-May.

4. The following pro forma condensed consolidated financial information combines the historical Consolidated Statements of Income and Consolidated Balance Sheets of Resources and CG&E after giving effect to the Mergers. The unaudited Pro Forma Condensed Consolidated Statements of Income for the three months and twelve months ended March 31, 1994, give effect to the Mergers as if the Mergers had occurred at April 1, 1993. The unaudited Pro Forma Condensed Consolidated Balance Sheet at March 31, 1994, gives effect to the Mergers as if the Mergers had occurred at March 31, 1994. These statements are prepared on the basis of accounting for the Mergers as a pooling of interests and are based on the assumptions set forth in the notes thereto. In addition, the following pro forma condensed consolidated financial information should be read in conjunction with the historical consolidated financial statements and related notes thereto of Resources, Energy, and CG&E. The following information is not necessarily indicative of the operating results or financial position that would have occurred had the Mergers been consummated at the beginning of the periods, or on the date, for which the Mergers are being given effect, nor is it necessarily indicative of future operating results or financial position.

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<TABLE>

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in millions, except per share amounts)

<CAPTION>

	Three Months Ended March 31, 1994			Twelve Months Ended March 31, 1994		
	Historical		Pro Forma	Historical		Pro Forma
	Resources	CG&E	CINergy	Resources	CG&E	CINergy
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Operating revenues.	$303	$562	$865	$1 102	$1 821	$2 923
Operating expenses.	256	456	712	956	1 485	2 441
Operating income.	47	106	153	146	336	482
Other income and expense - net	2	10	12	26	(180)*	(154)
Interest charges - net.	17	40	57	65	157	222
Preferred dividend requirement of subsidiaries.	3	6	9	14	25	39
Net income (loss)	$ 29	$ 70	$ 99	$ 93	$ (26)	$ 67
Average common shares outstanding 1/.	56	88	139/146	56	88	138/145
Earnings (Loss) per common share 1/	$.52	$.79	$.71/.68	$1.66	$(.29)	$.49/.46
Dividends declared per common share 1/	$.31	$.43	$.40/.38	$1.18	$1.69	$1.55/1.48

* Reflects write-off of a portion of Wm. H. Zimmer Generating Station ($223 million net of tax).

See Notes to Pro Forma Condensed Consolidated Financial Information.

</TABLE>

<TABLE>

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
at March 31, 1994
(unaudited)

<CAPTION>

(in millions)

<S>	Historical Resources <C>	Historical CG&E <C>	Pro Forma CINergy <C>
ASSETS			
Utility plant - original cost			
In service	$3 480	$5 219	$8 699
Accumulated depreciation	1 483	1 506	2 989
	1 997	3 713	5 710
Construction work in progress	266	69	335
Total utility plant	2 263	3 782	6 045
Current assets	204	632	836
Other assets	270	782	1 052
Total assets	$2 737	$5 196	$7 933
CAPITALIZATION AND LIABILITIES			
Common stock 2/	$ 1	$ 752	$ 1
Paid-in capital 2/	256	322	1 330
Retained earnings	463	488	951
Total common stock equity	720	1 562	2 282
Cumulative preferred stock of subsidiaries	188	290	478
Long-term debt	865	1 837	2 702
Total capitalization	1 773	3 689	5 462
Current liabilities	548	466	1 014
Deferred income taxes	300	742	1 042
Other liabilities	116	299	415
Total capitalization and liabilities	$2 737	$5 196	$7 933

Notes to Pro Forma Condensed Consolidated Financial Information

1/ The Pro Forma Condensed Consolidated Statements of Income reflect the conversion of each share of Resources' common stock outstanding into (a) .909 share and (b) 1.023 shares of CINergy common stock and each share of CG&E's common stock outstanding into one share of CINergy common stock. The actual Resources conversion ratio may be lower than 1.023 or higher than .909 depending upon closing sales prices of CG&E's common stock during a period prior to the consummation of the Mergers. Pro forma dividends declared per common share reflect the historical dividends declared by Resources and CG&E, divided by the pro forma average number of CINergy common stock shares outstanding.

2/ The pro forma "Common stock" and "Paid-in capital" amounts reflected in the Pro Forma Condensed Consolidated Balance Sheet are based on the conversion of each share of Resources' common stock outstanding into 1.023 shares of CINergy common stock ($.01 par value) and each share of CG&E's common stock outstanding into one share of CINergy common stock ($.01 par value). Any Resources conversion ratio lower than 1.023 would result in a reallocation of amounts between "Common stock" and "Paid-in capital". However, any such reallocation would have no effect on "Total common stock equity".

3/ Intercompany transactions (including purchased and exchanged power transactions) between Resources and CG&E during the periods presented were not material and accordingly no pro forma adjustments were made to eliminate such transactions.

4/ Transaction costs, estimated to be approximately $47 million, are being deferred by Resources and CG&E. Resources' portion of the costs are being deferred for post-Mergers recovery through customers' rates. In a settlement agreement filed with the Public Utilities Commission of Ohio, CG&E has agreed to, among other things, amortize its portion of merger-related transaction costs over a period ending by January 1, 1999. CG&E will be permitted to retain all of its non-fuel savings from the Mergers until 1999.
</TABLE>

PSI ENERGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

Merger Agreement with The Cincinnati Gas & Electric Company

As disclosed in PSI Energy, Inc.'s (Energy) 1993 Annual Report on Form 10-K, as amended (1993 Form 10-K), PSI Resources, Inc. (Resources), Energy, and The Cincinnati Gas & Electric Company (CG&E) entered into an Agreement and Plan of Reorganization dated as of December 11, 1992, which was subsequently amended and restated on July 2, 1993, and as of September 10, 1993 (as amended and restated, the "Merger Agreement"). Under the Merger Agreement, Resources will be merged with and into a newly formed corporation named CINergy Corp. (CINergy) and a subsidiary of CINergy will be merged with and into CG&E (collectively referred to as the "Mergers"). In August 1993, the Federal Energy Regulatory Commission (FERC) conditionally approved the Mergers. Certain parties petitioned for rehearing of the FERC's conditional approval. Given the issues raised on the requests for rehearing and the lack of certainty in the record regarding state regulatory powers, on January 12, 1994, the FERC issued an order withdrawing its prior conditional approval of the Mergers and initiating a 60-day, FERC-sponsored settlement procedure.

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CG&E also filed with the FERC a unilateral offer of settlement addressing all issues raised in the Kentucky Public Service Commission's (KPSC) application for rehearing with the FERC. On March 15, 1994, CG&E filed an application with the KPSC seeking approval of the indirect acquisition of control of CG&E's Kentucky subsidiary, The Union Light, Heat and Power Company. A public hearing was held on May 10, 1994, and the KPSC is expected to complete action on the application by mid-May.

CAPITAL RESOURCES

In February 1994, Energy issued $50 million of long-term debt (see Note 2 on page 8).

RESULTS OF OPERATIONS FOR THE QUARTER ENDED MARCH 31, 1994

Kilowatt-hour Sales

Kilowatt-hour (kwh) sales for the quarter ended March 31, 1994, increased 12% when compared to the same period last year. This increase was primarily attributable to increased sales for resale. Non-firm power sales increased as a result of increased power sales to other utilities. In addition, increased firm power sales were primarily driven by the colder weather conditions experienced in the first quarter of 1994. Also contributing to increased kwh sales were increased retail sales. Sales to domestic and commercial customers increased as a result of the colder weather conditions and the increased number of both domestic and commercial customers in Energy's service territory. Increased industrial sales occurred due to growth primarily in the primary metals and transportation equipment sectors.

Revenues

Total operating revenues increased $16 million (5%) in the first quarter as compared to the same period last year. This increase primarily reflects the changes in kwh sales, as previously discussed. Partially offsetting the increase in revenues due to kwh sales were Energy's lower average realization arising from the increased levels of kwh usage and the 1.5% retail rate reduction as a result of the IURC's December 1993 order, which resolved the outstanding issues related to the appeals of the IURC's April 1990 order and June 1987 order.

An analysis of operating revenues is shown below:

	Quarter Ended March 31 (millions)
Operating revenues - March 31, 1993	$286
Increase (Decrease) due to change in:	
Price per kwh	
Retail	(9)
Sales for resale	
Firm power obligations	(1)
Non-firm power transactions	2
Total change in price per kwh	(8)
Kwh sales	
Retail	12
Sales for resale	
Firm power obligations	4
Non-firm power transactions	8
Total change in kwh sales	24
Other	(1)
Operating revenues - March 31, 1994	$301

Operating Expenses

Fuel

Fuel costs, Energy's largest operating expense, increased $3 million (3%) for the quarter as compared to the same period last year.

An analysis of fuel costs is shown below:

	Quarter Ended March 31 (millions)
Fuel expense - March 31, 1993	$105
Increase (Decrease) due to change in:	
Price of fuel	(1)
Kwh generation	4
Fuel expense - March 31, 1994	$108

Purchased and Exchanged Power

Purchased and exchanged power for the quarter increased $12 million as compared to the same period last year. Increased third party power sales to other utilities through Energy's system contributed to this increase.

Depreciation

Primarily as a result of additions to electric utility plant, depreciation expense for the quarter ended March 31, 1994, increased $3 million (10%) as compared to the same period last year.

RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED MARCH 31, 1994

Kilowatt-hour Sales

Kwh sales for the twelve months ended March 31, 1994, increased 7% as compared to the same period last year. This increase was primarily the result of increased retail sales. Sales to domestic and commercial customers increased as a result of the more normal weather experienced during the second and third quarters of 1993 and the colder weather experienced in the first quarter of 1994, in addition to the increased number of both domestic and commercial customers in Energy's service territory. Industrial kwh sales also increased, reflecting growth primarily in the primary metals and transportation equipment sectors. In addition, firm power sales for resale increased primarily as a result of the weather conditions previously discussed.

Revenues

Total operating revenues for the twelve months ended March 31, 1994, remained relatively unchanged when compared to the same period last year, showing an increase of $7 million (1%). The increase in revenues driven by the increase in kwh sales previously discussed was substantially offset by the $31 million refund resulting from the settlement of the IURC's April 1990 order, Energy's lower average realization arising from the increased levels of kwh usage, and the effects of lower fuel costs.

An analysis of operating revenues is shown below:
<TABLE>
<CAPTION>

	Twelve Months Ended March 31 (millions)
<S>	<C>
Operating revenues - March 31, 1993	$1 086
Increase (Decrease) due to change in:	
Price per kwh	
Retail	(68)
Sales for resale	
Firm power obligations	(4)
Non-firm power transactions	9
Total change in price per kwh	(63)
Kwh sales	
Retail	67
Sales for resale	
Firm power obligations	8
Non-firm power transactions	-
Total change in kwh sales	75
Other	(4)
Operating revenues - March 31, 1994	$1 094

</TABLE>
Operating Expenses

Fuel

Fuel costs decreased $10 million (3%) for the twelve months ended March 31, 1994, as compared to the same period last year.

An analysis of fuel costs is shown below:
<TABLE>
<CAPTION>

	Twelve Months Ended March 31 (millions)
<S>	<C>
Fuel expense - March 31, 1993	$399
Increase (Decrease) due to change in:	
Price of fuel	(17)
Kwh generation	7

Fuel expense - March 31, 1994	$389

</TABLE>

Purchased and Exchanged Power

Purchased and exchanged power for the twelve months ended March 31, 1994, as compared to the same period last year, increased $26 million. This increase reflects increased purchases of power to meet Energy's own load and to sell to other utilities.

Depreciation Expense

Depreciation expense for the twelve months ended March 31, 1994, increased $11 million (9%) as compared to the same period last year. This increase was primarily the result of additions to electric utility plant.

Other Income and Expense - Net

Other income and expense increased $22 million in the twelve months ended March 31, 1994, as compared to the same period last year. Contributing to this increase was the IURC's December 1993 order, which resulted in a reduction of the loss previously recognized for the IURC's June 1987 order. The increase was also due, in part, to the implementation of the January 1993 IURC order authorizing the accrual of post-in-service carrying costs. In addition, the equity component of the allowance for funds used during construction increased partially as a result of increased construction.

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PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. None.

b. The following reports on Form 8-K were filed during the first quarter of 1994:

Date of Report	Items Filed
January 12, 1994	Item 5 - Other Events. (On January 12, 1994, the Federal Energy Regulatory Commission issued an order withdrawing its prior conditional approval of PSI Resources, Inc.'s merger with The Cincinnati Gas & Electric Company and initiating a 60-day, FERC-sponsored settlement procedure.)
March 28, 1994	Item 7 - Financial Statements and Exhibits. (The Cincinnati Gas & Electric Company's Annual Report on Form 10-K for the year ended December 31, 1993, and Consent of Independent Public Accountants.)

SIGNATURES

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although PSI Energy, Inc. (Energy) believes that the disclosures are adequate to make the information presented not misleading. In the opinion of Energy, these statements reflect all adjustments (which include only normal, recurring adjustments) necessary to reflect the results of operations for the respective periods. The unaudited statements are subject to such adjustments as the annual audit by independent public accountants may disclose to be necessary.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed by an officer and the principal accounting officer on its behalf by the undersigned thereunto duly authorized.

PSI ENERGY, INC.
Registrant

Date: May 12, 1994 /s/ J. Wayne Leonard
(J. Wayne Leonard)

Senior Vice President and Chief Financial Officer

Date: May 12, 1994 /s/ Charles J. Winger

(Charles J. Winger)

Comptroller and Principal Accounting Officer