FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-03-16** | Period of Report: **1993-12-31**
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UNION LIGHT HEAT & POWER CO
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Business Address
139 E FOURTH ST
C/O TREASURER DEPT
CINCINNATI OH 45201
5133812000

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the fiscal year ended December 31, 1993

OR

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

Commission file number 2-7793

THE UNION LIGHT, HEAT AND POWER COMPANY
(Exact name of registrant as specified in its charter)

Kentucky	31-0473080
(State of Incorporation)	(I.R.S. Employer Identification No.)

139 EAST FOURTH STREET, CINCINNATI, OHIO 45202
(Address of principal executive offices) (Zip Code)

513-381-2000
(Registrant's telephone number)

No Securities Registered Pursuant to Section 12(b) of the Act.

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 and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Requirements Pursuant to Item 405 of Regulation S-K Are Not Applicable.

The Capital Shares of the Registrant are wholly owned by The Cincinnati Gas & Electric Company.

The Union Light, Heat and Power Company meets the conditions set forth in General Instruction J(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format specified in General Instruction J(2) to Form 10-K.

585,333 shares of Capital Stock ($15.00 Par Value) were outstanding as of February 28, 1994.

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PART I

Item 1. Business - Registrant (Union Light)

General

Union Light, a wholly-owned subsidiary of The Cincinnati Gas & Electric Company (CG&E), was incorporated in Kentucky in 1901, and operates in that portion of Kentucky contiguous to the area served by CG&E. Both companies are managed by substantially the same principal officers and have their principal executive offices at the same address, 139 East Fourth Street, Cincinnati, Ohio. In January 1994, Union Light transferred its former subsidiary, Enertech Associates International, Inc., to CGE Corp., which is a wholly-owned non-regulated subsidiary of CG&E.

Union Light provides electric or gas service, or both, to a population of about 280,000 in an area of about 500 square miles in six counties in northern Kentucky.

In December 1992, CG&E, PSI Resources, Inc. (PSI) and PSI Energy, Inc., PSI's principal subsidiary, an Indiana electric utility (PSI Energy), entered into an agreement which, as subsequently amended (the Merger Agreement) provides for the merger of PSI into a newly formed corporation named CINergy Corp. (CINergy) and the merger of a newly formed subsidiary of CINergy into CG&E. CINergy will become a holding company required to be registered under the Public Utility Holding Company Act of 1935 (PUHCA) with two operating subsidiaries, CG&E and PSI Energy. Union Light will remain a subsidiary of CG&E.

The merger will be accounted for as a "pooling of interests", and it is anticipated that the transaction will be completed in the third quarter of 1994. The merger is subject to approval by the Securities and Exchange Commission (SEC) and the Federal Energy Regulatory Commission (FERC). Shareholders of both companies approved the merger in November 1993.

FERC issued conditional approval of the CINergy merger in August 1993, but several intervenors, including The Public Utilities Commission of Ohio (PUCO) and the Kentucky Public Service Commission (KPSC), filed for rehearing of that order. On January 12, 1994, FERC withdrew its conditional approval of the merger and ordered the setting of FERC-sponsored settlement procedures to be held.

On March 4, 1994, CG&E reached a settlement agreement with the PUCO and the Ohio Office of Consumers' Counsel on merger issues identified by FERC. On March 2, PSI Energy and Indiana's consumer representatives had reached a similar agreement. Both settlement agreements have been filed with FERC. These documents address, among other things, the coordination of state and federal regulation and the commitment that neither CG&E nor PSI electric base rates, nor CG&E's gas base rates, will rise because of the merger, except

to reflect any effects that may result from the divestiture of CG&E's gas operations if ordered by the SEC in accordance with the requirements of PUHCA discussed below.

CG&E also filed with FERC a unilateral offer of settlement addressing all issues raised in the KPSC's application for rehearing with FERC. Although it is the belief of CG&E and PSI that no state utility commissions have jurisdiction over approval of the proposed merger, an application has been filed with the KPSC to comply with the Staff of the KPSC's position that the KPSC's authorization is required for the indirect acquisition of control of Union Light by CINergy. As part of the settlement offer, Union Light will agree not to increase gas base rates as a result of the merger except to reflect any effects that may result from the divestiture of Union Light's gas operations discussed below.

If the settlement agreements filed with FERC are not acceptable, FERC could set issues for hearing. If a hearing is held by FERC, consummation of the merger would likely be extended beyond the third quarter of 1994.

PUHCA imposes restrictions on the operations of registered holding company systems. Among these are requirements that securities issuances, sales and acquisitions of utility assets or of securities of utility companies and acquisitions of interests in any other business be approved by the SEC. PUHCA also limits the ability of registered holding companies to engage in non-utility ventures and regulates holding company system service companies and the rendering of services by holding company affiliates to the system's utilities. The SEC has interpreted the PUHCA to preclude registered holding companies, with some exceptions, from owning both electric and gas utility systems. The SEC may require that CG&E and Union Light divest their gas properties within a reasonable time after the merger in order to approve the merger as it has done in many cases involving the acquisition by a holding company of a combination gas and electric company. In some cases, the SEC has allowed the retention of the gas properties or deferred the question of divestiture for a substantial period of time. In those cases in which divestiture has taken place, the SEC usually has allowed companies sufficient time to accomplish the divestiture in a manner that protects shareholder value. CG&E and Union Light believe good arguments exist to allow retention of the gas assets, and will request that the Companies be allowed to do so.

Electric Operations

Union Light does not own or operate any electric generating facilities. Its requirements for electric energy are purchased from CG&E at rates regulated by FERC. The maximum net peak load experienced by Union Light in 1993 of 661,397 Kw exceeded by 10% the previous record net peak load of 598,889 Kw established in 1991. Union Light owns an electric transmission system and an electric distribution system in Covington, Newport and other smaller communities and in adjacent rural territory within all or parts of the Counties of Kenton, Campbell, Boone, Grant, and Pendleton, in Kentucky.

The Energy Policy Act of 1992 (Energy Act) addresses several matters affecting electric utilities including mandated open access to the electric transmission system and greater encouragement of independent power production and cogeneration. Union Light cannot predict the long-term consequences the Energy Act will have on its operations.

Gas Operations and Gas Supply

In 1992, FERC issued Order 636 which restructures the relationships between interstate gas pipelines companies and their customers, including Union Light, for gas sales and transportation services. Order 636 has changed the way Union Light purchases gas supplies and contracts for transportation and storage services. Union Light has contracts that provide adequate supply and storage capacity, including transportation services, to meet normal demand, as well as unanticipated load swings. Union Light expects to purchase approximately 5% of its annual firm gas requirements on the spot market.

Order 636 also allows pipelines to recover transition costs they incur in complying with the Order from customers, including Union Light. The KPSC has issued an order which allows recovery of these transition costs through Union Light's purchased gas adjustment clause. Order 636 transition costs are not expected to significantly impact Union Light.

Union Light has an approved rate structure for the transportation of gas allowing its gas price to remain competitive with alternate fuels. Union Light transports gas for certain large-volume customers. Without this program, Union Light would have lost many of these customers to alternate fuels. Union Light can either transport gas purchased by its customers for a transportation charge, or buy spot market gas which is then sold to customers at a rate competitive with alternate fuels.

Rate Matters

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In September 1992, Union Light filed a request with the KPSC to increase annual gas revenues by approximately $9 million. In accordance with Kentucky law, on April 26, 1993, Union Light implemented the proposed rate increase, subject to refund. On July 23, 1993, the KPSC issued an Order authorizing Union Light to increase annual gas revenues by $3.9 million effective retroactively to April 26, 1993. The authorized rates were not placed into effect pending resolution of Union Light's request for rehearing of the Order. On August 31, 1993, the KPSC granted an additional annual increase of $247,000. Union Light has placed these rates into effect and has refunded the excess revenue collected with interest to customers.

Rules established by the KPSC pertaining to Union Light's electric fuel adjustment clause provide for public hearings at six-month intervals to review past calculations, reconciliation of over- or under-recovery of fuel costs, and a public hearing every two years to review the application of the adjustment charge and fuel procurement practices. In accordance with a

purchased gas adjustment clause approved by the KPSC, Union Light is permitted to make quarterly adjustments in gas costs and reconciliation of over- or under-recovery of gas costs. In conjunction with these rules, Union Light expenses the costs of gas and electricity purchased as recovered through revenue and defers the portion of these costs recoverable or refundable in future periods.

Construction
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During 1993, construction expenditures amounted to $24.4 million. Of this amount, $14.5 million was for electric facilities and $6.8 million for gas facilities and $3.1 million for facilities used in both electric and gas operations.

Construction expenditures for Union Light are estimated to be $20.3 million for 1994 and $120.2 million for the five years 1994-1998. These estimates are under continuing review and are subject to adjustment.

In October 1993, Union Light filed its second integrated resource plan (IRP) in the state of Kentucky. The primary emphasis of IRP is on procedures for the evaluation of long-term electric forecasts and the integration of demand and supply alternatives for meeting future electric needs. The KPSC is currently reviewing this report. A review conference is scheduled for April 19, 1994.

Environmental Matters
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CG&E has advised Union Light that CG&E's inability to comply with potential environmental regulations, and more rigid enforcement policies with respect to existing standards and regulations, could cause substantial capital expenditures in addition to those included in CG&E's construction program, and increase the cost per Kwh of generation to CG&E and, ultimately, the cost of electric energy purchased by Union Light from CG&E by reducing the amount of electricity available for delivery or by necessitating increased fuel and/or operating and capital costs, and may cause serious fuel supply problems for CG&E, or require it to cease operating a portion of its generating facilities.

Union Light is subject to regulation by various Federal, state, and local authorities relative to air and water quality, solid and hazardous waste disposal, and other environmental matters. Pursuant to Federal law, the Secretary of the Natural Resources and Environmental Protection Cabinet (NREPC) administers regulations prescribing air and water quality standards and regulations pertaining to solid and hazardous wastes. NREPC is generally empowered by Kentucky environmental laws to issue construction and operating permits and variances for facilities which may contribute to air pollution and issue similar permits for facilities which discharge pollutants into the waters of the state, as well as permits for the disposal of solid and hazardous waste. The Kentucky implementation plan is fully enforceable by the state and, to the extent approved by the U.S. Environmental Protection Agency, is also enforceable by it.

The Comprehensive Environmental Response Compensation and Liability Act (CERCLA) expanded reporting and liability requirements covering the release of hazardous substances into the environment. Some of these substances, including polychlorinated biphenyls (PCBs), a substance regulated under the Toxic Substances Control Act, are contained in certain equipment currently used by Union Light. Union Light cannot predict the occurrence and effect of a release of such substances.

CERCLA provides, among other things, for a trust fund, drawn from industry and federal appropriations, to finance cleanup and containment efforts of improperly managed hazardous waste sites. Under CERCLA, and other laws, responsible parties may be strictly, and jointly and severally, liable for money expended by the government to take necessary corrective action at such sites.

The Superfund Amendments and Reauthorization Act of 1986 (SARA) significantly amended CERCLA and established programs dealing with emergency preparedness and community right-to-know, leaking underground storage tanks, and other matters. SARA provides for a significant increase in CERCLA funding, adopts strict cleanup standards and schedules, places limitations on the timing and scope of court review of government cleanup decisions, authorizes state and citizen participation in cleanup plans, enforcement actions, and court proceedings, including provisions for citizens' suits against both private and public entities to enforce CERCLA's requirements, expands liability provisions, and increases civil and criminal penalties for violations of CERCLA.

Employee Relations
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Union Light presently employs about 340 full-time employees, of whom about 280 belong to bargaining units. Approximately 90 employees are represented by the International Brotherhood of Electrical Workers (IBEW), 110 by the United Steelworkers of America (USWA) and 80 by the Independent Utilities Union (IUU).

The collective bargaining agreements with the IBEW and USWA expire on April 1, and May 15, 1994, respectively. The three-year agreement with the IUU, which expires in March 1995, has a wage reopener for the third year of the contract. Negotiations with both the IBEW and IUU are presently under way.

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OPERATING STATISTICS

The following tables are indicative of the general development of the business conducted by Union Light during the periods indicated:

	Year Ended December 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
ELECTRIC DEPARTMENT			
Electric Energy Purchased (thousand Kwh).........	3,121,383	2,935,418	2,876,418
Average Cost per Kwh Purchased (cents)...........	4.30	4.33	3.91
Sales (thousand Kwh)			
Residential....................................	1,096,048	1,028,082	1,094,598
Commercial.....................................	772,621	730,487	726,829
Industrial.....................................	803,004	769,507	668,195
Other retail...................................	300,021	279,095	278,106
Other electric utilities-non-affiliated........	45,154	43,108	42,744
Total sales........................	3,016,848	2,850,279	2,810,472
Unaccounted For and Company Use..................	104,535	85,139	65,946
Total distribution................	3,121,383	2,935,418	2,876,418
Gross Revenues			
Residential....................................	$ 70,890,901	$ 64,000,032	$ 65,009,743
Commercial.....................................	47,610,545	43,475,442	41,149,428
Industrial.....................................	37,498,916	34,649,667	30,462,192
Other retail...................................	16,467,489	14,790,849	13,928,285
Other electric utilities-non-affiliated........	1,795,795	1,636,347	1,685,738
Total..............................	174,263,646	158,552,337	152,235,386
Other departmental revenues....................	1,448,527	1,137,475	1,130,321
Total revenues.....................	$175,712,173	$159,689,812	$153,365,707
Customers at End of Period			
Residential....................................	97,750	97,668	95,878
Commercial.....................................	10,188	10,255	10,028
Industrial.....................................	408	414	410
Other retail...................................	925	900	871
Other electric utilities-non-affiliated........	1	1	1
Total customers....................	109,272	109,238	107,188
Average Revenue per Kwh (cents)			

Residential	6.47	6.23	5.94
Commercial	6.16	5.95	5.66
Industrial	4.67	4.50	4.56

<FN>

Note: See Note 10 to the Financial Statements for additional financial information by business segments.
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OPERATING STATISTICS (Continued)

	Year Ended December 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
GAS DEPARTMENT			
Sources of Gas (thousand cubic feet)			
Natural gas purchased	12,208,366	11,145,809	10,771,633
Transportation gas received	1,754,705	1,921,404	1,817,464
Gas produced	1,422	856	551
Total available for deliveries	13,964,493	13,068,069	12,589,648
Average Cost per Mcf Purchased (cents)	355.3	317.7	311.4
Distribution of Gas (thousand cubic feet)			
Gas sales			
Residential	7,331,799	6,775,605	6,190,034
Commercial	2,730,055	2,622,676	2,519,870
Industrial	1,353,038	1,092,345	1,073,474
Other retail	472,215	482,166	474,975
Other gas utilities	172,114	137,363	132,559
Total gas sales	12,059,221	11,110,155	10,390,912
Gas transported	1,702,808	1,903,190	1,770,908
Total gas sales and gas transported	13,762,029	13,013,345	12,161,820
Unaccounted for and company use	202,464	54,724	427,828
Total distribution	13,964,493	13,068,069	12,589,648
Gross Revenues			
Residential	$ 47,856,633	$ 39,184,217	$ 36,219,223
Commercial	15,712,279	13,333,515	13,047,685
Industrial	6,493,388	4,983,019	4,792,291
Other retail	2,724,414	2,427,285	2,445,240
Other gas utilities	142,724	86,394	51,472
Total	72,929,438	60,014,430	56,555,911
Other departmental revenues (including gas transported)	2,814,727	2,589,779	2,394,481
Total revenues	$ 75,744,165	$ 62,604,209	$ 58,950,392
Customers at End of Period			
Residential	63,444	62,850	61,320
Commercial	5,646	5,567	5,439
Industrial	272	286	284
Other retail	297	290	278
Other gas utilities	1	1	1
Total customers	69,660	68,994	67,322
Average Revenue per Mcf Sold (cents)			
Residential	652.73	578.31	585.12
Commercial	575.53	508.39	517.79
Industrial	479.91	456.18	446.43

<FN>

Note: See Note 10 to the Financial Statements for additional financial information by business segments.
</TABLE>

Item 2. Properties

Union Light owns an electric transmission system and an electric distribution system in Covington, Newport, and other smaller communities and in adjacent rural territory within all or parts of the Counties of Kenton, Campbell, Boone, Grant, and Pendleton, in Kentucky. Union Light owns a gas distribution system in Covington, Newport, and other smaller communities and in adjacent rural territory within all or parts of the Counties of Kenton, Campbell, Boone, Grant, Gallatin, and Pendleton, in Kentucky. Union Light owns a 7,000,000 gallon capacity underground cavern for the storage of liquid propane and a related vaporization and mixing plant and feeder lines, located in Kenton County, Kentucky near the Kentucky-Ohio line and adjacent to one of the gas lines which transports natural gas to CG&E. The cavern and vaporization and mixing plant are used primarily to augment CG&E's and Union Light's supply of natural gas during periods of peak demand and emergencies.

Under the terms of the mortgage indenture securing first mortgage bonds issued by Union Light, substantially all property is subject to a direct first mortgage lien.

Item 3. Legal Proceedings

The registrant has no material pending legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

Omitted pursuant to Instruction J(2)(c).

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

All of Union Light's Capital Shares are owned by CG&E.

Union Light declared a dividend of $5.00 per capital share during the fourth quarter of 1993. No dividends were declared in 1992.

Item 6. Selected Financial Data

Omitted pursuant to Instruction J(2)(a).

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Earnings per capital share increased in 1993 to $15.95 from $2.23 in 1992. The increase was due to a gas rate increase in 1993, higher gas and electric sales volumes and cost control efforts. For information on the gas rate increase see "Future Outlook" herein. In 1992, earnings per capital share decreased to $2.23 from $12.48 in 1991. The decrease was primarily due to Union Light incurring increased purchased power costs from CG&E which were not reflected in Union Light's electric revenues for the period and to the KPSC ordering a $2.5 million decrease in the retail portion of Union Light's electric rates in May 1992.

Electric operating revenues increased $16.0 million in 1993 due to an increase in electric Kwh sales of 5.8% and to the full effect of a rate increase that became effective in May 1992. In 1992, electric operating revenues increased $6.3 million primarily due to a rate increase that became effective in May 1992 and to a 1.4% increase in sales volumes.

Gas operating revenues increased $13.1 million in 1993 due to the operation of an adjustment clause reflecting increases in the cost of gas purchased, a rate increase (see "Future Outlook" herein), and a 5.8% increase in total volumes sold and transported. In 1992, gas operating revenues increased $3.7 million primarily due to a 7.0% increase in total volumes sold and transported.

Electricity purchased increased $7.1 million in 1993 due to a 6.3% increase in volumes purchased. In 1992, electricity purchased increased $14.8 million due to a 10.9% increase in the average cost per Kwh purchased and to a 2.1% increase in volume purchased.

Gas purchased expense for 1993 increased $8.0 million due to an 11.8% increase in the average cost per Mcf purchased and to a 9.5% increase in volumes purchased. In 1992, gas purchased expense increased $1.9 million due to a 3.5%

increase in volumes purchased and a 2.0% increase in the average cost per Mcf purchased.

Other operation expense decreased $1.2 million in 1993 due to a number of factors including reduced electric and gas distribution expenses and cost control efforts.

In 1992, maintenance expense decreased $.8 million primarily due to reduced maintenance costs related to gas and electric distribution facilities.

Depreciation expense increased $1.5 million in 1993 due to an increase in depreciable plant in service and to increases in depreciation accrual rates on gas and common plant in accordance with a KPSC rate order issued in 1993. Depreciation expense increased $.7 million in 1992 due to an increase in depreciable plant in service.

Allowance for funds used during construction (AFC) decreased $.6 million in 1992 due to lower AFC rates.

Increases in interest on long-term debt of $.7 million and $.5 million in 1993 and 1992, respectively, were due to the issuance of additional first mortgage bonds in August 1992.

Other interest expense decreased $.6 million in 1993 due to a decrease in the amount of short-term borrowings and lower interest rates.

Liquidity and Capital Resources

During 1993, internally generated funds provided 51% of the amount needed for construction expenditures, an increase from 34% in 1992. External funds were obtained in 1993 from the net issuance of $18.5 million of short-term debt. Union Light also retired at maturity $6.5 million of first mortgage bonds in 1993.

The issuance of first mortgage bonds by Union Light is limited by earnings coverage and fundable property provisions of Union Light's First Mortgage Indenture. Certain provisions in the mortgage indenture of CG&E prohibit the sale by Union Light of debt securities except to CG&E if, after giving effect to the sale of such securities, the outstanding debt securities of Union Light are in excess of 75% of the net plant of Union Light. Bonds may be issued upon the basis of property additions and cash deposits only if net earnings, as defined in the Mortgage, are at least 2.00 times the annual interest charges on all outstanding indebtedness having an equal or prior lien. In accordance with the most restrictive of these provisions, Union Light would have been permitted to issue at December 31, 1993, at least $50 million of additional first mortgage bonds at current interest rates. In addition, Union Light presently can issue $9.1 million of first mortgage bonds against previously retired bonds without regard to the Indenture's earnings coverage or fundable property requirements.

The construction expenditures for Union Light are estimated to be $20.3 million for 1994 and $120.2 million over the next five years (1994-1998). These estimates are under continuing review and are subject to adjustment. Construction and financing plans for the future are dependent on, among other things, the amount and timing of rate changes, sales volumes, changes in construction plans, cost control efforts, market conditions, regulatory actions, and the ability to obtain financing. Short-term indebtedness will be used to supplement internal sources of funds for the interim financing of the construction program. Union Light presently has authorized a maximum amount of short-term indebtedness of $35 million through December 31, 1994, and $25.0 million of short-term borrowings were outstanding at December 31, 1993. Union Light has authority to issue to CG&E up to $15 million of Capital Stock through December 31, 1994.

Ratings on Union Light's first mortgage bonds by Standard & Poor's and Moody's Investors Service are BBB+ and Baa1, respectively.

Future Outlook

Union Light's future earnings will be affected by its ability to secure adequate and timely rate relief.

In September 1992, Union Light filed a request with the KPSC to increase annual gas revenues by approximately $9 million. In accordance with Kentucky law, on April 26, 1993, Union Light implemented the proposed rate increase, subject to refund. On July 23, 1993, the KPSC issued an Order authorizing Union Light to increase annual gas revenues by $3.9 million effective retroactively to

April 26, 1993. The authorized rates were not placed into effect pending resolution of Union Light's request for rehearing of the Order. On August 31, 1993, the KPSC granted an additional annual increase of $247,000. Union Light has placed these rates into effect and has refunded the excess revenue collected with interest to customers.

In April 1992, FERC issued Order 636 which restructures the relationships between interstate gas pipelines and their customers for gas sales and transportation services. Order 636 will result in changes in the way Union Light purchases gas supplies and contracts for transportation and storage services, and will result in increased risks in managing the ability to meet demand.

Order 636 also allows pipelines to recover transition costs they incur in complying with the Order from customers, including Union Light. The KPSC has issued an Order which allows recovery of these transition costs through Union Light's purchased gas adjustment clause. Order 636 transition costs are not expected to significantly impact Union Light.

The Energy Act addresses several matters affecting electric utilities including mandated open access to the electric transmission system and greater encouragement of independent power production and cogeneration. Union Light cannot predict the long-term consequences the Energy Act will have on its operations.

In recent years several new accounting standards have been issued by the Financial Accounting Standards Board. While the impact on earnings and cash flow associated with the new standards has been relatively minor, these accounting changes do affect the recognition and presentation of amounts reported in Union Light's financial statements. For information in addition to that provided below on recently adopted accounting standards, see Note 1 to the Financial Statements.

In 1993, CG&E and its subsidiaries adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS No. 106). Union Light is a participating company under CG&E's health care and life insurance benefit plans. SFAS No. 106 requires the accrual of the expected cost of providing postretirement benefits other than pensions to an employee and the employee's covered dependents during the employee's active working career. SFAS No. 106 also requires the recognition of the actuarially determined total postretirement benefit obligation earned by existing retirees. Currently, SFAS No. 106

health care costs are being expensed. The adoption of SFAS No. 106 did not have a material effect on results on operations.

Also in 1993, Union Light adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109). SFAS No. 109 requires deferred tax recognition for all temporary differences in accordance with the liability method, requires that deferred tax liabilities and assets be adjusted for enacted changes in tax laws or rates and prohibits net-of-tax accounting and reporting. Union Light believes it is probable that any net future increase or decrease in income taxes payable will be reflected in future rates. In accordance with SFAS No. 109, Union Light has recorded a net regulatory liability at December 31, 1993. Adoption of SFAS No. 109 had no impact on results of operations.

In 1993, CG&E and its subsidiaries adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS No. 112). SFAS No. 112 requires the accrual of the cost of certain postemployment benefits provided to former or inactive employees. The adoption of SFAS No. 112 did not have a material effect on results of operations.

Over the past several years, the rate of inflation has been relatively low. Union Light believes that the recent inflation rates do not materially affect its results of operations or financial condition. However, under existing regulatory practice, only the historical cost of plant is recoverable from customers. As a result, cash flows designed to provide recovery of historical plant costs may not be adequate to replace plant in future years.

Item 8. Financial Statements and Supplementary Data
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THE UNION LIGHT, HEAT AND POWER COMPANY

STATEMENT OF INCOME

Year Ended December 31

	1993	1992	1991
Operating Revenues			
Electric	$175,712,173	$159,689,812	$153,365,707
Gas	75,744,165	62,604,209	58,950,392
Total operating revenues	251,456,338	222,294,021	212,316,099
Operating Expenses			
Electricity purchased from parent company for resale	134,290,067	127,185,243	112,369,214
Gas purchased	43,380,287	35,410,712	33,542,603
Other operation	30,395,427	31,596,872	31,155,740
Maintenance	6,267,181	6,547,259	7,349,237
Provision for depreciation	9,812,929	8,315,795	7,656,099
Taxes other than income taxes	3,623,331	3,626,364	3,302,536
Income taxes (Note 2)	5,751,240	304,473	3,556,056
Total operating expenses	233,520,462	212,986,718	198,931,485
Operating Income	17,935,876	9,307,303	13,384,614
Other Income and Deductions			
Allowance for other funds used during construction	296,639	(46,241)	292,277
Other income and deductions-net	(533,920)	18,749	(73,139)
Total other income and deductions	(237,281)	(27,492)	219,138
Income Before Interest Charges	17,698,595	9,279,811	13,603,752
Interest Charges			
Interest on long-term debt	8,207,155	7,547,708	7,049,375
Other interest	331,499	896,776	1,052,693
Amortization of debt discount, premium and other	89,592	57,218	35,335
Allowance for borrowed funds used during construction-credit	(268,226)	(323,927)	(590,511)
Net interest charges	8,360,020	8,177,775	7,546,892
Net Income	$ 9,338,575	$ 1,102,036	$ 6,056,860
Average Number of Capital Shares Outstanding	585,333	493,666	485,333
Earnings Per Capital Share	$ 15.95	$ 2.23	$ 12.48
Dividends Declared Per Capital Share	$ 5.00	$ --	$ 5.00

The accompanying notes are an integral part of the above statement.

THE UNION LIGHT, HEAT AND POWER COMPANY

STATEMENT OF CASH FLOWS

	Year Ended December 31		
	1993	1992	1991
Cash Flows From Operations:			
Net Income	$ 9,338,575	$ 1,102,036	$ 6,056,860
Adjustments to reconcile net income to net cash:			
Deferred gas and electric fuel costs--net	(44,636)	(626,086)	3,245,938
Depreciation	9,812,929	8,315,795	7,656,099
Allowance for other funds used during construction	(296,639)	46,241	(292,277)
Deferred income taxes and investment tax credits--net	998,476	1,525,939	799,198
Other--net	3,375,042	1,690,532	(51,469)
Change in current assets and liabilities:			
Receivables and unbilled revenues	(5,858,755)	(6,173,601)	(2,040,610)
Materials, supplies and fuel	(1,582,978)	(1,845,203)	(2,124,145)
Other current assets	619,456	(785,934)	509,062

Accounts payable and other current liabilities	(1,604,233)	3,889,604	3,521,408
Total adjustments	5,418,662	6,037,287	11,223,204
Net cash provided by operations	14,757,237	7,139,323	17,280,064
Cash Flows From Investing:			
Construction expenditures (less allowance for other funds used during construction)	(24,127,582)	(24,607,471)	(31,357,469)
Gain on disposition of assets	985,963	1,526,428	309,585
Net cash used in investing activities	(23,141,619)	(23,081,043)	(31,047,884)
Cash Flows From Financing:			
Capital stock proceeds	--	15,000,000	--
Long-term debt proceeds	--	19,670,800	--
Retirement of long-term debt	(6,500,000)	--	--
Net short-term borrowings	18,500,000	(18,500,000)	16,000,000
Dividends paid on capital shares	(2,926,665)	--	(2,426,665)
Net cash provided by financing activities	9,073,335	16,170,800	13,573,335
Net increase (decrease) in cash and temporary cash investments	688,953	229,080	(194,485)
Cash and temporary cash investments--beginning of year	1,788,390	1,559,310	1,753,795
Cash and temporary cash investments--end of year	$ 2,477,343	$ 1,788,390	$ 1,559,310

<FN>
The accompanying notes are an integral part of the above statement.
</TABLE>

<TABLE>
<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

BALANCE SHEET

	December 31	
	1993	1992
<S>	<C>	<C>
ASSETS		
Property, Plant and Equipment, at original cost (Note 4)		
In service -		
Electric	$172,589,194	$158,316,894
Gas	128,242,203	121,835,888
Common	18,772,070	8,987,009
	319,603,467	289,139,791
Less-Accumulated provisions for depreciation	96,164,955	89,131,680
Net property, plant and equipment in service	223,438,512	200,008,111
Construction work in progress	5,060,043	14,336,175
	228,498,555	214,344,286
Current Assets		
Cash (Note 8)	2,477,343	1,788,390
Accounts receivable, less accumulated provision of $1,609,144 in 1993 and $1,000,629 in 1992 for doubtful accounts	25,564,221	24,788,501
Accrued unbilled revenues	17,128,720	12,045,685
Materials, supplies, and fuel, at average cost	8,664,381	7,081,403
Prepayments	703,243	1,322,699
	54,537,908	47,026,678
Other Assets	3,008,226	7,563,922
	$286,044,689	$268,934,886
LIABILITIES		
Capitalization		
Shareholders' equity -		
Capital shares, par value $15 per share -		

Authorized - 1,000,000 shares		
Outstanding - 585,333 shares	$ 8,779,995	$ 8,779,995
Premium on capital shares	18,838,946	18,838,946
Retained earnings	69,327,355	62,915,445
Total shareholders' equity	96,946,296	90,534,386
Long-term debt (Note 4)	89,171,831	89,105,243
Total capitalization	186,118,127	179,639,629
Current Liabilities		
Current portion of bonds	--	6,500,000
Notes payable (Note 8)	25,000,000	6,500,000
Accounts payable	6,914,373	6,573,414
Accounts payable to associated companies - net	17,118,008	15,147,500
Accrued taxes	(434,538)	821,902
Accrued interest on debt	2,126,283	2,259,913
Refunds due electric customers	--	2,852,581
Other current and accrued liabilities	3,632,084	3,305,133
	54,356,210	43,960,443
Deferred Credits and Other		
Deferred income taxes	20,486,616	27,609,241
Investment tax credits	5,651,190	5,939,519
Income taxes refundable through rates	4,692,028	--
Other liabilities and deferred credits	14,740,518	11,786,054
	45,570,352	45,334,814
	$286,044,689	$268,934,886

<FN>
The accompanying notes are an integral part of the above statement.
</TABLE>

<TABLE>
<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Year Ended December 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
CAPITAL SHARES			
Balance, beginning of year	$ 8,779,995	$ 7,279,995	$ 7,279,995
100,000 shares of $15 par value sold in 1992	--	1,500,000	--
Balance, end of year	$ 8,779,995	$ 8,779,995	$ 7,279,995
PREMIUM ON CAPITAL SHARES			
Balance, beginning of year	$18,838,946	$ 5,338,946	$ 5,338,946
Premium on sale of capital shares	--	13,500,000	--
Balance, end of year	$18,838,946	$18,838,946	$ 5,338,946
RETAINED EARNINGS			
Balance, Beginning of year	$62,915,445	$61,813,409	$58,183,214
Add--Net Income	9,338,575	1,102,036	6,056,860
	72,254,020	62,915,445	64,240,074
Deduct-Cash dividends on capital shares at the annual rate of $5.00 per share for 1993 and 1991	2,926,665	--	2,426,665
Balance, end of year	$69,327,355	$62,915,445	$61,813,409

<FN>
The accompanying notes are an integral part of the above statement.

</TABLE>

THE UNION LIGHT, HEAT AND POWER COMPANY

NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Union Light follows the Uniform Systems of Accounts prescribed by the Federal Energy Regulatory Commission (FERC), and is subject to the provisions of Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation". The more significant accounting policies are summarized below:

UTILITY PLANT. Property, plant and equipment is stated at the original cost of construction, which includes payroll and related costs such as taxes, pensions and other fringe benefits, general and administrative costs, and an allowance for funds used during construction.

REVENUES AND PURCHASED GAS AND ELECTRICITY COSTS. Union Light recognizes revenues for gas and electric service rendered during the month, which includes revenue for sales unbilled at the end of each month. Union Light expenses the costs of gas and electricity purchased as recovered through revenues and defers the portion of these costs recoverable or refundable in future periods.

DEPRECIATION AND MAINTENANCE. Union Light determines its provision for depreciation using the straight-line method and by the application of rates to various classes of property, plant and equipment. The rates are based on periodic studies of the estimated service lives and net cost of removal of the properties. The percentages of the annual provisions for depreciation to the weighted average of depreciable property during the three years ended December 31, 1993, were equivalent to:

	1993	1992	1991
Electric	3.3	3.3	3.3
Gas	2.9	2.7	2.7
Common	5.0	1.7	1.8

In a July 1993 rate order, the Kentucky Public Service Commission (KPSC) authorized changes in depreciation accrual rates on Union Light's gas and common plant. These changes resulted in an increase in depreciation expense for 1993 of approximately $500,000.

Expenditures for maintenance and repairs of units of property, including renewals of minor items, are charged to the appropriate maintenance expense accounts. A betterment or replacement of a unit of property is accounted for as an addition and retirement of property, plant and equipment. At the time of such a retirement, the accumulated provision for depreciation is charged with the original cost of the property retired and also for the net cost of removal.

INCOME TAXES. For income tax purposes, Union Light uses liberalized depreciation methods and deducts removal costs as incurred. Consistent with regulatory treatment, Union Light provides for income tax deferrals resulting from the use of liberalized depreciation and from interest deductions associated with borrowed funds used during construction.

Union Light adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109), in 1993. SFAS No. 109 requires deferred tax recognition for all temporary differences in accordance with the liability method, requires that deferred tax liabilities and assets be adjusted for enacted changes in tax laws or rates and prohibits net-of-tax accounting and reporting. Union Light believes it is probable that any net future increase or decrease in income taxes payable will be reflected in future rates. In accordance with SFAS No. 109, Union Light has recorded a net regulatory liability at December 31, 1993. Adoption of SFAS No. 109 had no impact on results of operations.

The following are the tax effects of temporary differences resulting in deferred tax assets and liabilities:

<TABLE>
<CAPTION>

	December 31, 1993	January 1, 1993
<S>	<C>	<C>
Deferred Tax Liabilities		
Depreciation and Other Plant Related Items--net	$30,497,624	$27,447,519

Other Liabilities	1,547,646	1,285,802
	32,045,270	28,733,321
Deferred Tax Assets		
Investment Tax Credits	2,290,346	2,342,843
Income Taxes Due Customers--net	1,977,584	2,252,990
Other Assets	7,290,724	5,747,940
	11,558,654	10,343,773
Net Deferred Tax Liability	$20,486,616	$18,389,548

The following table reconciles the change in the net deferred tax liability to the deferred income tax expense included in the accompanying Statement of Income for the year ended December 31, 1993:

Net change in deferred tax liability per above table	$2,097,068
Change in income taxes refundable through rates	(810,263)
Deferred income tax expense for the year ended December 31, 1993	$1,286,805

In August 1993, President Clinton signed into law the Omnibus Budget Reconciliation Act of 1993. Among the Act's provisions is an increase in the corporate Federal income tax rate from 34% to 35%, retroactive to January 1, 1993. Under SFAS No. 109, the increase in the tax rate has resulted in an increase in the net deferred tax liability and a decrease in income tax related regulatory liabilities. In the above table, this decrease in regulatory liabilities has been included in "Change in income taxes refundable through rates". The increase in the Federal income tax rate has not had a material impact on Union Light's results of operations.

RETIREMENT INCOME PLANS. Union Light is a participating company under CG&E's trusteed non-contributory retirement income plans covering substantially all regular employees. The benefits are based on the employee's compensation, years of service, and age at retirement. Union Light's funding policy is to contribute annually to the plans an amount which is not less than the minimum amount required by the Employee Retirement Income Security Act of 1974 and not more than the maximum amount deductible for income tax purposes.

The plans' funded status and amounts recognized by CG&E and its subsidiary companies for the years 1993 and 1992 are presented below:

	December 31, 1993	December 31, 1992
	(Thousands)	
Actuarial present value of benefit obligation:		
Vested benefit obligation	$328,075	$294,114
Nonvested benefit obligation	32,286	26,891
Total accumulated benefit obligation	360,361	321,005
Projected future compensation increases	110,332	101,915
Projected benefit obligation for service rendered	470,693	422,920
Plans' assets at fair value, primarily stocks and bonds	423,052	417,551
Plans' assets in excess of (less than) projected benefit obligation	(47,641)	(5,369)
Unrecognized net gain	(15,970)	(55,936)
Unrecognized prior service cost	29,149	31,995
Unrecognized net transition asset	(7,364)	(7,985)
Accrued pension cost	$(41,826)	$(37,295)

During 1992, CG&E and its subsidiaries recorded $28.4 million ($2.8 million applicable to Union Light) of accrued pension cost in accordance with Statement of Financial Accounting Standards No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits". This amount represented the costs associated with additional benefits extended in connection with an early retirement program and workforce reduction discussed below.

The following assumptions were used in accounting for pensions:

	1993	1992	1991
Discount rate used to determine actuarial present value of the projected benefit obligation..................................	7.50%	8.25%	8.25%
Assumed rate of increase in future compensation levels used to determine actuarial present value of the projected benefit obligation..	5.00%	5.75%	5.75%
Expected long-term rate of return on plans' assets..............	9.50%	9.50%	9.50%

Net pension cost for CG&E and its subsidiary companies for the years 1993, 1992 and 1991 included the following components:

	1993	1992	1991
		(Thousands)	
Service cost--benefits earned............................	$ 9,174	$ 8,767	$ 7,973
Interest cost on projected benefit obligation............	34,475	30,424	27,903
Reduction in pension costs from actual return on assets...	(31,371)	(27,015)	(76,705)
Net amortization and deferral............................	(4,666)	(7,472)	43,857
Net periodic pension cost..............................	$ 7,612	$ 4,704	$ 3,028

EARLY RETIREMENT PROGRAM AND WORKFORCE REDUCTIONS. As a result of unfavorable rate orders received in 1992, CG&E and its subsidiaries eliminated approximately 900 regular, temporary and contract positions. The workforce reduction was accomplished through a voluntary early retirement program and involuntary separations. At December 31, 1992, the accrued liability for CG&E and its subsidiaries associated with the workforce reduction was $30.4 million ($3.0 million applicable to Union Light), including $28.4 million ($2.8 million for Union Light) of additional pension benefits discussed above. In accordance with a July 1993 Order of the KPSC, Union Light is recovering the majority of these costs associated with gas operations through gas rates over a period of ten years. Costs associated with electric operations shall be addressed by the KPSC in Union Light's next electric rate case. The balance of unrecovered costs at December 31, 1993, totalled $2.9 million and is reflected in "Other Assets" on the Balance Sheet.

POSTRETIREMENT BENEFITS. Effective January 1, 1993, CG&E and its subsidiaries adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS No. 106). Union Light is a participating company under CG&E's health care and life insurance benefit plans. SFAS No. 106 requires the accrual of the expected cost of providing postretirement benefits other than pensions to an employee and the employee's covered dependents during the employee's active working career. SFAS No. 106 also requires the recognition of the actuarially determined total postretirement benefit obligation earned by existing retirees. CG&E offers health care and life insurance benefits which are subject to SFAS No. 106.

Life insurance benefits are fully paid by the Companies for qualified employees. Eligibility to receive postretirement coverage is limited to those employees who had participated in the plans and earned the right to postretirement benefits prior to January 1, 1991.

In 1988, CG&E and its subsidiaries recognized the actuarially determined accumulated benefit obligation for postretirement life insurance benefits earned by retirees. The accumulated benefit obligation for active employees is being amortized over 15 years, the employees' estimated remaining service lives. The accounting for postretirement life insurance benefits is not impacted by the adoption of SFAS No. 106.

Postretirement health care benefits are subject to deductibles, copayment provisions and other limitations. Retirees can participate in health care plans by paying 100% of the group coverage premium. Prior to the adoption of SFAS No. 106, the cost of postretirement health care benefits was expensed by the Companies as paid. Beginning in 1993, the Companies began recognizing the accumulated postretirement benefit obligation over 20 years in accordance with SFAS No. 106. Currently, SFAS No. 106 health care costs are being expensed. The adoption of SFAS No. 106 did not have a material effect on results on operations.

The net periodic postretirement cost for the Companies' postretirement benefit plans for 1993 are presented below.

	Health Care	Life Insurance	Total
		(Thousands)	
Service cost.......................	$ 995	$ 116	$ 1,111
Interest cost......................	4,269	1,924	6,193
Amortization of the unrecognized transition obligation...........	2,584	415	2,999
Postretirement benefit cost...	$7,848	$2,455	$10,303

The Companies' accumulated postretirement benefit obligation and accrued postretirement benefit cost under the plans at December 31, 1993 are as follows:

	Health Care	Life Insurance	Total
		(Thousands)	
Retirees................................	$ 22,753	$22,271	$45,024
Active employees eligible to retire......	2,363	1,494	3,857
Other active employees who are plan participants..........................	27,501	2,912	30,413
Accumulated postretirement benefit obligation............................	52,617	26,677	79,294
Unrecognized net gain (loss)............	3,822	(249)	3,573
Unrecognized transition obligation.......	(49,104)	(3,733)	(52,837)
Accrued postretirement benefit cost...	$ 7,335	$22,695	$ 30,030

The following assumptions were used to determine the accumulated postretirement benefits obligation:

	December 31, 1993	January 1, 1993
Discount rate........................	7.50%	8.25%
Health care cost trend rate, gradually declining to 5% in 2002 and 2003, respectively................	10.00% to 13.00%	12.00% to 15.00%

Increasing the assumed medical care cost trend rates by one percentage point in each year would increase the estimated accumulated postretirement benefit obligation as of December 31, 1993 by $10.5 million and the net periodic postretirement cost by $1.2 million. No funding has been established by the Companies for postretirement benefits.

POSTEMPLOYMENT BENEFITS. In 1993, CG&E and its subsidiaries adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS No. 112). SFAS No. 112 requires the accrual of the cost of certain postemployment benefits provided to former or inactive employees. The adoption of SFAS No. 112 did not have a material effect on results of operations.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION. The applicable regulatory uniform systems of accounts define "allowance for funds used during construction" (AFC) as including "the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used." This amount of AFC constitutes an actual cost of construction and, under established regulatory rate practices, a return on and

recovery of such costs heretofore has been permitted in determining the rates charged for utility services.

AFC was accrued at average pre-tax rates of 8.79%, 3.96% and 8.38% compounded semi-annually for 1993, 1992 and 1991, respectively. AFC represents non-cash earnings and, as a result, does not affect current cash flow.

STATEMENT OF CASH FLOWS. For purposes of the Statement of Cash Flows, Union Light considers short-term investments having maturities of three months or less at time of purchase to be cash equivalents.

The cash amounts of interest (net of allowance for borrowed funds used during construction) and income taxes paid by Union Light in 1993, 1992 and 1991 are as follows:

	1993	1992	1991
Interest......................	$8,404,058	$7,597,202	$7,523,242
Income Taxes..................	$4,001,150	$ (440,612)	$2,395,392

RECLASSIFICATIONS. Certain reclassifications of previously reported amounts have been made to conform with current classifications. These reclassifications had no effect on earnings on common shares.

(2) INCOME TAXES:

The provision for income taxes included in the accompanying Statement of Income consists of the following components:

<TABLE>
<CAPTION>

	Year Ended December 31		
	1993	1992	1991
<S>	<C>	<C>	<C>
Included in operating expenses --			
Currently payable..........................	$ 4,749,667	$ (1,218,369)	$ 2,750,244
Deferred -- net			
Liberalized depreciation................	2,463,794	2,423,410	2,408,482
Gas costs...............................	722,981	442,507	(1,668,695)
Alternative minimum tax credit carryforward..........................	168,796	(168,796)	--
Unbilled revenues -- net................	(848,559)	(338,275)	171,137
Pension and post-employment benefits.....	(493,441)	(238,166)	(180,686)
Capitalized interest.....................	(73,963)	(57,480)	(135,692)
Contributions in aid of construction.....	(231,984)	(53,955)	(312,815)
Allowance for funds used during construction..........................	93,263	115,354	220,295
Workforce reduction......................	40,520	29,834	--
Uncollectible accounts...................	(244,670)	30,637	(45,841)
Loss on disposition of utility property..	(56,244)	(56,244)	(56,244)
Systems costs capitalized................	(7,024)	(31,556)	1,131,473
Vacation pay.............................	62,058	39,905	(209,205)
Curb box program -- net..................	116,723	17,371	(192,285)
Gas refunds..............................	(456,772)	--	--
Other reserves...........................	--	(315,560)	--
Other....................................	34,424	(26,949)	(104,555)
Investment tax credits--net................	(288,329)	(289,195)	(219,557)
Total..................................	5,751,240	304,473	3,556,056
Included in other income and deductions--net			
Currently payable..........................	(42,678)	8,633	(23,896)
Deferred--net			
Alternative minimum tax credit carryforward..........................	(3,097)	3,097	--
Total..................................	(45,775)	11,730	(23,896)
Total provision........................	$ 5,705,465	$ 316,203	$ 3,532,160
Analysis of provision			
Federal income taxes.......................	$ 4,370,673	$ 166,890	$ 2,684,855
State income taxes.........................	1,334,792	149,313	847,305

	$ 5,705,465	$ 316,203	$ 3,532,160

</TABLE>

Federal income taxes (included in the total provision for income tax expense set forth above) are different from the amount which would be computed by applying the statutory Federal income tax rate to income before provision for Federal income taxes; the principal reasons for this difference are as follows:

<TABLE>
<CAPTION>

	Year Ended December 31		
	1993	1992	1991
Pre-tax income....................	$13,709,248	$1,268,926	$8,741,715
Tax at statutory Federal income tax rate applied to pre-tax income..........................	$ 4,798,237	$ 431,435	$2,972,183
Changes in Federal income taxes resulting from -			
Allowance for funds used during construction which does not constitute taxable income.......	(103,824)	15,722	(99,374)
Excess of book depreciation over tax depreciation................	316,178	276,771	188,492
Amortization of investment tax credits.....................	(288,323)	(289,172)	(303,398)
Cost of removal for property retired................	(208,317)	(265,857)	(242,139)
Medical expense..................	--	29,144	1,988
Amortization of deferred gains on intercompany sales of assets.	25,250	25,958	19,639
Provision for injuries and damages.........................	3,675	(62,104)	(2,288)
Change in tax rate...............	(136,979)	(56,088)	(62,153)
Other-net........................	(35,224)	61,081	211,905
Federal income tax provision...............	$ 4,370,673	$ 166,890	$2,684,855

</TABLE>

(3) CAPITAL STOCK:

Union Light sold $15 million of Capital Stock to CG&E in December 1992 and has authority from the KPSC to issue up to an additional $15 million of Capital Stock through December 31, 1994. Also in 1992, CG&E purchased, from the remaining minority shareholders, 36-63/94 shares of the capital stock of Union Light. As a result, all of Union Light's Capital Shares are owned by CG&E.

(4) LONG-TERM DEBT:

Under the terms of the mortgage indenture securing first mortgage bonds issued by Union Light, substantially all property is subject to a direct first mortgage lien.

<TABLE>
<CAPTION>

	December 31	
	1993	1992
First mortgage bonds -		
4-3/8% series due 1993....................	$ --	$ 6,500,000
6-1/2% series due 1999....................	20,000,000	20,000,000
8 % series due 2003....................	10,000,000	10,000,000
9-1/2% series due 2008....................	10,000,000	10,000,000
9.70 % series due 2019....................	20,000,000	20,000,000
10-1/4% series due 2020....................	30,000,000	30,000,000
	90,000,000	96,500,000
Less current maturities...................	--	6,500,000
Unamortized premium (discount) - net......	(828,169)	(894,757)

	$89,171,831	$89,105,243
	===========	===========

</TABLE>

Improvement and sinking fund provisions contained in the indenture applicable to the First Mortgage Bonds of Union Light issued prior to 1981 require deposits with the Trustee, on or before April 30 of each year, of amounts in cash and/or principal amount of bonds equal to 1% ($200,000) of the principal amount of bonds of the applicable series originally outstanding less certain designated retirements. In lieu of such cash deposits or delivery of bonds and as permitted under the terms of the indenture, historically Union Light has followed the practice of pledging unfunded property additions to the extent of 166-2/3% of the annual sinking fund requirements.

(5) RATES:

Reference is made to "Rate Matters" on page 3 herein with respect to electric and gas rate matters.

(6) FAIR VALUE OF FINANCIAL INSTRUMENTS:

The Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments" (SFAS No. 107), requires disclosure of the estimated fair value of certain financial instruments of Union Light. This information does not purport to be a valuation of Union Light as a whole.

The following methods and assumptions were used to estimate the fair value of each major class of financial instrument of Union Light as required by SFAS No. 107:

CASH, NOTES PAYABLE, ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE. The carrying amount as reflected on the Balance Sheet approximates the fair value of these instruments due to the short period to maturity.

LONG-TERM DEBT. At December 31, 1993 and 1992, Union Light's first mortgage bonds had an estimated fair value of approximately $107,078,000 and $103,782,000, respectively. The aggregate fair value for the first mortgage bonds is based on the present value of future cash flows. The discount rate used approximates the incremental borrowing cost for similar instruments.

(7) COMMITMENTS AND CONTINGENCIES:

In December 1992, CG&E, PSI Resources, Inc. (PSI) and PSI Energy, Inc., PSI's principal subsidiary, an Indiana electric utility (PSI Energy), entered into an agreement which, as subsequently amended (the Merger Agreement) provides for the merger of PSI into a newly formed corporation named CINergy Corp. (CINergy) and the merger of a newly formed subsidiary of CINergy into CG&E. CINergy will become a holding company required to be registered under the Public Utility Holding Company Act of 1935 (PUHCA) with two operating subsidiaries, CG&E and PSI Energy. Union Light will remain a subsidiary of CG&E.

The merger will be accounted for as a "pooling of interests", and it is anticipated that the transaction will be completed in the third quarter of 1994. The merger is subject to approval by the Securities and Exchange Commission (SEC) and FERC. Shareholders of both companies approved the merger in November 1993.

FERC issued conditional approval of the CINergy merger in August 1993, but several intervenors, including The Public Utilities Commission of Ohio (PUCO) and the KPSC, filed for rehearing of that order. On January 12, 1994, FERC withdrew its conditional approval of the merger and ordered the setting of FERC-sponsored settlement procedures to be held.

On March 4, 1994, CG&E reached a settlement agreement with the PUCO and the Ohio Office of Consumers' Counsel on merger issues identified by FERC. On March 2, PSI Energy and Indiana's consumer representatives had reached a similar agreement. Both settlement agreements have been filed with FERC. These documents address, among other things, the coordination of state and federal regulation and the commitment that neither CG&E nor PSI electric base rates, nor CG&E's gas base rates, will rise because of the merger, except to reflect any effects that may result from the divestiture of CG&E's gas operations if ordered by the SEC in accordance with the requirements of PUHCA discussed below.

CG&E also filed with FERC a unilateral offer of settlement addressing all issues raised in the KPSC's application for rehearing with FERC. Although it is the belief of CG&E and PSI that no state utility commissions have jurisdiction over approval of the proposed merger, an application has been filed with the KPSC to comply with the Staff of the KPSC's position that the KPSC's authorization is required for the indirect acquisition of control of Union Light by CINergy. As part of the settlement offer, Union Light will agree not to increase gas base rates as a result of the merger except to reflect any effects that may result from the divestiture of Union Light's gas operations discussed below.

If the settlement agreements filed with FERC are not acceptable, FERC could set issues for hearing. If a hearing is held by FERC, consummation of the merger would likely be extended beyond the third quarter of 1994.

PUHCA imposes restrictions on the operations of registered holding company systems. Among these are requirements that securities issuances, sales and acquisitions of utility assets or of securities of utility companies and acquisitions of interests in any other business be approved by the SEC. PUHCA also limits the ability of registered holding companies to engage in non-utility ventures and regulates holding company system service companies and the rendering of services by holding company affiliates to the system's utilities. The SEC has interpreted the PUHCA to preclude registered holding companies, with some exceptions, from owning both electric and gas utility systems. The SEC may require that CG&E and Union Light divest their gas properties within a reasonable time after the merger in order to approve the merger as it has done in many cases involving the acquisition by a holding company of a combination gas and electric company. In some cases, the SEC has allowed the retention of the gas properties or deferred the question of divestiture for a substantial period of time. In those cases in which divestiture has taken place, the SEC usually has allowed companies sufficient time to accomplish the divestiture in a manner that protects shareholder value. CG&E and Union Light believe good arguments exist to allow retention of the gas assets, and will request that the Companies be allowed to do so.

CG&E and Union Light are subject to regulation by various Federal, state and local authorities relative to air and water quality, solid and hazardous waste disposal, and other environmental matters. Compliance programs necessary to meet existing and future environmental laws and regulations will increase the cost of utility service.

Reference is made to "Gas Operations and Gas Supply" herein for information relating to FERC Order 636 and commitments for the purchase of gas and to "Construction" with respect to estimated construction expenditures.

(8) COMPENSATING BANK BALANCES AND NOTES PAYABLE:

At December 31, 1993, Union Light had lines of credit totaling $30 million, which were maintained by compensating balances. Unused lines of credit at December 31, 1993 totaled $9.0 million (generally subject to withdrawal by the banks). Substantially all of the cash balances of Union Light are maintained to compensate the respective banks for banking services and to obtain lines of credit; however, Union Light has the right of withdrawal of such funds. The maximum amount of outstanding short-term notes payable authorized by Union Light's Board of Directors and approved by FERC to be incurred at any time through December 31, 1994 is $35 million.

(9) SUPPLEMENTARY INCOME INFORMATION:

Taxes other than income taxes as set forth in the Statement of Income are as follows:
<TABLE>
<CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Property............................	$1,939,773	$1,890,386	$1,689,054
Payroll.............................	1,336,543	1,426,474	1,342,721
Regulatory Commission Maintenance....	329,755	296,678	261,754
Other...............................	17,260	12,826	9,007
	$3,623,331	$3,626,364	$3,302,536

</TABLE>

(10) FINANCIAL INFORMATION BY BUSINESS SEGMENTS:
<TABLE>
<CAPTION>

	Operating Revenues	Operating Income	Income Taxes	Provision for Depreciation	Construction Expenditures

<S>	<C>	<C>	<C>	<C>	<C>
Year Ended December 31, 1993					
Electric..................	$175,712,173	$ 9,820,462	$3,078,258	$5,797,594	$16,290,845
Gas.......................	75,744,165	8,115,414	2,672,982	4,015,335	8,133,376
Total....................	$251,456,338	$ 17,935,876	$5,751,240	$9,812,929	$24,424,221
Year Ended December 31, 1992					
Electric..................	$159,689,812	$ 4,157,255	$ (441,640)	$4,999,733	$16,459,497
Gas.......................	62,604,209	5,150,048	746,113	3,316,062	8,101,733
Total....................	$222,294,021	$ 9,307,303	$ 304,473	$8,315,795	$24,561,230
Year Ended December 31, 1991					
Electric..................	$153,365,707	$ 9,554,793	$3,377,338	$4,568,758	$17,182,517
Gas.......................	58,950,392	3,829,821	178,718	3,087,341	14,467,229
Total....................	$212,316,099	$ 13,384,614	$3,556,056	$7,656,099	$31,649,746

</TABLE>

<TABLE>
<CAPTION>

	December 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Property, Plant and Equipment, net -			
Electric.........................	$130,053,966	$119,491,978	$110,541,684
Gas..............................	98,444,589	94,852,308	89,815,507
	228,498,555	214,344,286	200,357,191
Other Corporate Assets.............	57,546,134	54,590,600	41,981,483
Total Assets......................	$286,044,689	$268,934,886	$242,338,674

</TABLE>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The Union Light, Heat and Power Company:

We have audited the accompanying balance sheet of THE UNION LIGHT, HEAT AND POWER COMPANY (a Kentucky corporation and a subsidiary of The Cincinnati Gas & Electric Company) as of December 31, 1993 and 1992, and the related statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements and the schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Union Light, Heat and Power Company as of December 31, 1993 and 1992, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As explained in Note 1 to the financial statements, the Company changed its methods of accounting for income taxes, postretirement health care benefits and postemployment benefits effective January 1, 1993.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in Item 14 are presented for purposes of complying with the Securities and Exchange Commission's Rules and Regulations under the Securities Exchange Act of 1934 and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Cincinnati, Ohio,
January 24, 1994.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable.

PART III

Items 10., 11., 12. and 13.

Omitted pursuant to Instruction J(2)(c).

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Listed below are all financial statements, schedules, and exhibits attached hereto, incorporated herein, and filed as a part of this Annual Report.

(1) Financial Statements:

Statement of Income for the Three Years Ended December 31, 1993

Statement of Cash Flows for the Three Years Ended December 31, 1993

Balance Sheet, December 31, 1993 and 1992

Statement of Changes in Shareholders' Equity for the Three Years Ended December 31, 1993

Notes to Financial Statements

Report of Independent Public Accountants

(2) Financial Statement Schedules:

#Schedule V -- Property, Plant and Equipment (1993, 1992, and 1991)

#Schedule VI -- Accumulated Provisions for Depreciation (1993, 1992, and 1991)

#Schedule VIII -- Other Accumulated Provisions (1993, 1992, and 1991)

#Schedule IX -- Short-Term Borrowings (1993, 1992, and 1991)

(3) Exhibits:

Exhibit No.	
*3-A	--Copy of Restated Articles of Incorporation made effective May 7, 1976 (filed as Exhibit 1 to Form 8-K, May 1976)
*3-B	--Copy of By-Laws of Union Light as amended,

adopted by shareholders May 3, 1989 (filed as Exhibit 3-B under cover of Form SE dated August 8, 1989)

*4-A-1 --Copy of First Mortgage dated as of February 1, 1949, between Union Light and The Bank of New York (filed as Exhibit 7 to Registration Statement No. 2-7793)

*4-A-2 --Copy of Fifth Supplemental Indenture dated as of January 1, 1967, between Union Light and The Bank of New York (filed as Exhibit 2-C-6 to Registration Statement No. 2-60961 of CG&E)

*4-A-3 --Copy of Seventh Supplemental Indenture dated as of October 1, 1973, between Union Light and The Bank of New York (filed as Exhibit 2-C-7 to Registration Statement No. 2-60961 of CG&E)

*4-A-4 --Copy of Eighth Supplemental Indenture dated as of December 1, 1978, between Union Light and The Bank of New York (filed as Exhibit 2-C-8 to Registration Statement No. 2-63591 of CG&E)

*4-A-5 --Copy of Tenth Supplemental Indenture dated as of July 1, 1989 between Union Light and The Bank of New York (filed as Exhibit 4-B to Form 10-Q for the quarter ended June 30, 1989 of CG&E)

*4-A-6 --Copy of Eleventh Supplemental Indenture dated as of June 1, 1990 between Union Light and The Bank of New York (filed as Exhibit 4-B to Form 10-Q for the quarter ended June 30, 1990 of CG&E)

*4-A-7 --Copy of Twelfth Supplemental Indenture dated as of November 15, 1990, between Union Light and The Bank of New York (filed as Exhibit 4-B-8 to 1990 Form 10-K of CG&E)

*4-A-8 --Copy of Thirteenth Supplemental Indenture dated as of August 1, 1992, between Union Light and The Bank of New York (filed as Exhibit 4-B-9 to 1992 Form 10-K of CG&E)

23 --Consent of Independent Public Accountants dated as of March 15, 1994

(b) No reports on Form 8-K were filed during the three months ended December 31, 1993.

#All schedules other than Schedules V, VI, VIII and IX, are omitted, as the information is not required or is otherwise furnished, per Title 17, Section 210.5-04, CFR.

*The exhibits with an asterisk have been filed with the Securities and Exchange Commission and are incorporated herein by reference.

<TABLE>

SCHEDULE V

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Property, Plant and Equipment

For the Year Ended December 31, 1993

Column A Classification	Column B Balance at December 31, 1992	Column C Additions at cost	Column D Retirements or sales	Column E Other changes--debit or (credit)(a)	Column F Balance at December 31, 1993
<S>	<C>	<C>	<C>	<C>	<C>
ELECTRIC					
Transmission	$ 11,018,492	$ 1,275,565	$ 38,188	$ 6,012	$ 12,261,881
Distribution	136,455,641	13,492,812	2,149,684	(6,012)	147,792,757
General	4,623,499	108,864	123,918	(33,445)	4,575,000
Completed construction-not classified (b)	6,219,262	1,740,294	--	--	7,959,556
Total electric	158,316,894	16,617,535	2,311,790	(33,445)	172,589,194

	Column B	Column C	Column D	Column E	Column F
GAS					
Production	3,335,222	12,357	--	--	3,347,579
Distribution	111,159,724	8,478,414	705,379	--	118,932,759
General	3,449,591	229,141	205,470	1,891	3,475,153
Completed construction-not classified (b)	3,891,351	(1,404,639)	--	--	2,486,712
Total gas	121,835,888	7,315,273	910,849	1,891	128,242,203
COMMON	8,946,189	9,716,524	14,038	31,554	18,680,229
Completed construction-not classified (b)	40,820	51,021	--	--	91,841
Total common	8,987,009	9,767,545	14,038	31,554	18,772,070
Property, plant and equipment in service	$289,139,791	$33,700,353	$3,236,677	$ --	$319,603,467
CONSTRUCTION WORK IN PROGRESS (b)					
Electric	$ 6,688,415	$(2,114,095)	$ --	$ --	$ 4,574,320
Gas	1,106,252	(528,614)	--	--	577,638
Common	6,541,508	(6,633,423)	--	--	(91,915)
Total construction work in progress	$ 14,336,175	$(9,276,132)	$ --	$ --	$ 5,060,043

<FN>
Notes: (a) Amounts in Column E represent transfers between plant accounts.
(b) Additions are net of transfers to plant in service.
</TABLE>

<TABLE>

SCHEDULE V

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Property, Plant and Equipment

For the Year Ended December 31, 1992

Column A Classification	Column B Balance at December 31, 1991	Column C Additions at cost	Column D Retirements or sales	Column E Other changes--debit or (credit)(a)	Column F Balance at December 31, 1992
<S>	<C>	<C>	<C>	<C>	<C>
ELECTRIC					
Transmission	$ 10,910,119	$ 127,324	$ 18,951	$ --	$ 11,018,492
Distribution	126,976,296	11,816,041	2,336,696	--	136,455,641
General	4,250,663	1,163,859	791,713	690	4,623,499
Completed construction-not classified (b)	4,078,696	2,140,566	--	--	6,219,262
Total electric	146,215,774	15,247,790	3,147,360	690	158,316,894
GAS					
Production	3,266,203	69,944	925	--	3,335,222
Distribution	104,138,970	7,701,807	681,053	--	111,159,724
General	3,219,718	457,535	227,662	--	3,449,591
Completed construction-not classified (b)	4,467,641	(576,290)	--	--	3,891,351
Total gas	115,092,532	7,652,996	909,640	--	121,835,888
COMMON	3,277,215	5,739,406	69,742	(690)	8,946,189
Completed construction-not classified (b)	4,862,100	(4,821,280)	--	--	40,820
Total common	8,139,315	918,126	69,742	(690)	8,987,009
Property, plant and equipment in service	$269,447,621	$23,818,912	$4,126,742	$ --	$289,139,791
CONSTRUCTION WORK IN PROGRESS (b)					
Electric	$ 5,785,983	$ 902,432	$ --	$ --	$ 6,688,415
Gas	1,370,896	(264,644)	--	--	1,106,252
Common	6,436,978	104,530	--	--	6,541,508
Total construction work in progress	$ 13,593,857	$ 742,318	$ --	$ --	$ 14,336,175

<FN>
Notes: (a) Amounts in Column E represent transfers between plant accounts.
(b) Additions are net of transfers to plant in service.
</TABLE>

<TABLE>

SCHEDULE V

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Property, Plant and Equipment

For the Year Ended December 31, 1991

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at December 31, 1990	Additions at cost	Retirements or sales	Other changes-- debit or (credit)(a)	Balance at December 31, 1991
<S>	<C>	<C>	<C>	<C>	<C>
ELECTRIC					
Transmission	$ 10,765,822	$ 163,044	$ 19,696	$ 949	$ 10,910,119
Distribution	119,999,857	8,342,901	1,365,513	(949)	126,976,296
General	3,948,644	1,376,745	1,074,726	--	4,250,663
Completed construction-not classified (b)	3,316,390	762,306	--	--	4,078,696
Total electric	138,030,713	10,644,996	2,459,935	--	146,215,774
GAS					
Production	3,266,203	--	--	--	3,266,203
Distribution	92,693,329	12,176,102	730,461	--	104,138,970
General	3,148,850	344,233	273,365	--	3,219,718
Completed construction-not classified (b)	5,306,227	(838,586)	--	--	4,467,641
Total gas	104,414,609	11,681,749	1,003,826	--	115,092,532
COMMON	3,329,345	158,270	210,400	--	3,277,215
Completed construction-not classified (b)	179,907	4,682,193	--	--	4,862,100
Total common	3,509,252	4,840,463	210,400	--	8,139,315
Property, plant and equipment in service	$245,954,574	$27,167,208	$3,674,161	$ --	$269,447,621
CONSTRUCTION WORK IN PROGRESS (b)					
Electric	$ 4,010,723	$ 1,775,260	$ --	$ --	$ 5,785,983
Gas	1,956,050	(585,154)	--	--	1,370,896
Common	3,144,546	3,292,432	--	--	6,436,978
Total construction work in progress	$ 9,111,319	$ 4,482,538	$ --	$ --	$ 13,593,857

<FN>
Notes: (a) Amounts in Column E represent transfers between plant accounts.
(b) Additions are net of transfers to plant in service.
</TABLE>

<TABLE>

SCHEDULE VI

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Accumulated Provisions for Depreciation

For the Years Ended December 31, 1993, 1992 and 1991

Column A	Column B	Column C			Column D		Column E	Column F
		Additions			Deductions			
Description	Balance at beginning of period	Charged to expenses	Charged to transportation clearing	Accrued depreciation on property acquired	Retirements or sales	Salvage and cost of removal, net	Other	Balance at end of period

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 1993								
Electric	$53,266,316	$5,453,817	$363,330	$211,345	$2,311,786	$ (229,730)	$(3,080)	$57,209,672
Gas	34,264,800	3,600,175	222,285	1,520	910,839	(560,562)	507	37,739,010
Common	958,499	601,437	37,872	29,454	14,037	(1,132)	2,573	1,616,930
Retirement work in progress	642,065	--	--	--	--	1,042,722	--	(400,657)
	$89,131,680	$9,655,429	$623,487	$242,319	$3,236,662	$ 251,298	$ --	$96,164,955
For the Year Ended December 31, 1992								
Electric	$49,988,077	$4,928,160	$356,861	$485,705	$3,021,940	$ (529,112)	$ 341	$53,266,316
Gas	32,153,477	3,109,805	214,165	682	909,645	303,684	--	34,264,800
Common	900,220	120,330	37,131	2,158	69,742	31,257	(341)	958,499
Retirement work in progress	(357,487)	--	--	--	--	(999,552)	--	642,065
	$82,684,287	$8,158,295	$608,157	$488,545	$4,001,327	$(1,193,723)	$ --	$89,131,680
For the Year Ended December 31, 1991								
Electric	$47,424,282	$4,539,338	$290,317	$299,832	$2,459,936	$ 105,756	$ --	49,988,077
Gas	30,262,427	2,902,946	207,632	427	1,003,828	216,127	--	32,153,477
Common	1,080,854	56,315	33,785	9,326	210,400	69,660	--	900,220
Retirement work in progress	(560,657)	--	--	--	--	(203,170)	--	(357,487)
	$78,206,906	$7,498,599	$531,734	$309,585	$3,674,164	$ 188,373	$ --	$82,684,287

</TABLE>

<TABLE>

SCHEDULE VIII

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Other Accumulated Provisions

For the Year Ended December 31, 1993

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at December 31, 1992	Charged to expenses	Charged to other accounts	Deductions for purposes for which provisions were made	Balance at December 31, 1993
<S>	<C>	<C>	<C>	<C>	<C>
Shown on asset side of balance sheet					
Doubtful accounts	$ 1,000,629	$2,632,062	$ 2,937	$2,026,484	$ 1,609,144
Deferred income taxes (a)	$ 3,717,402	$ 526,919	$(4,559,523)(b)	$ (315,202)	$ --
Shown on liability side of balance sheet					
Deferred income taxes	$27,609,241	$1,203,910	$(9,251,551)(b)	$ (925,016)	$20,486,616
Investment tax credits	$ 5,939,519	$ (6)	$ --	$ 288,323	$ 5,651,190
Income taxes refundable through rates	$ --	$ --	$ 4,692,028 (b)	$ --	$ 4,692,028
Other liabilities and deferred credits-					

Customers' advances for construction	$ 1,822,950	$ --	$ (161,821)(c)	$ --	$ 1,661,129
Injuries and damages	143,000	641,662	--	659,662	125,000
Other	9,820,104	1,504,904	2,695,228	1,065,847	12,954,389(d)
	$11,786,054	$2,146,566	$ 2,533,407	$1,725,509	$14,740,518

<FN>
Notes:
(a) Included in Other Assets on the Balance Sheet.
(b) Reflects the adoption of SFAS No. 109, "Accounting for Income Taxes", in 1993.
(c) Net of refunds and forfeited advances.
(d) Includes $2.8 million of additional pension benefits extended in connection with an early retirement program and workforce reduction, $2.3 million of accrued post-retirement life insurance benefits, $1.2 million of gas costs refundable to customers and $.7 million of post-retirement health care costs. See Note 1 to the Financial Statements for additional information.

</TABLE>

<TABLE>

SCHEDULE VIII

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Other Accumulated Provisions

For the Year Ended December 31, 1992

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at December 31, 1991	Charged to expenses	Charged to other accounts	Deductions for purposes for which provisions were made	Balance at December 31, 1992
<S>	<C>	<C>	<C>	<C>	<C>
Shown on asset side of balance sheet					
Doubtful accounts	$ 1,081,527	$2,448,314	$ 9,345	$2,538,557	$ 1,000,629
Deferred income taxes (a)	$ 3,002,707	$3,761,524	$ 378,914	$3,425,743	$ 3,717,402
Shown on liability side of balance sheet					
Deferred income taxes	$25,079,412	$2,379,980	$ 378,914	$ 229,065	$27,609,241
Investment tax credits	$ 6,228,714	$ (23)	$ --	$ 289,172	$ 5,939,519
Other liabilities and deferred credits-					
Customers' advances for construction	$ 2,128,090	$ --	$ (305,140)(b)	$ --	$ 1,822,950
Injuries and damages	328,000	1,431,858	--	1,616,858	143,000
Other	6,175,985	1,000,993	3,304,592	661,466	9,820,104(c)
	$ 8,632,075	$2,432,851	$2,999,452	$2,278,324	$11,786,054

<FN>
Notes:
(a) Included in Other Assets on the Balance Sheet.
(b) Net of refunds and forfeited advances.
(c) Includes $2.8 million of additional pension benefits extended in connection with an early retirement program and workforce reduction and $2.2 million of accrued post-retirement life insurance benefits. See Note 1 to the Financial Statements for additional information.

</TABLE>

<TABLE>

SCHEDULE VIII

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Other Accumulated Provisions

For the Year Ended December 31, 1991

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at December 31, 1990	Charged to expenses	Charged to other accounts	Deductions for purposes for which provisions were made	Balance at December 31, 1991
<S>	<C>	<C>	<C>	<C>	<C>
Shown on asset side of balance sheet					
Doubtful accounts	$ 1,007,713	$2,233,807	$ 6,017	$2,166,010	$ 1,081,527
Deferred income taxes (a)	$ 1,609,742	$4,404,916	$ (529,649)	$2,482,302	$ 3,002,707
Shown on liability side of balance sheet					
Deferred income taxes	$22,661,078	$3,360,009	$ (529,649)	$ 412,026	$25,079,412
Investment tax credits	$ 6,454,885	$ 77,227	$ --	$ 303,398	$ 6,228,714
Other liabilities and deferred credits-					
Customers' advances for construction	$ 1,907,560	$ --	$ 220,530(b)	$ --	$ 2,128,090
Injuries and damages	330,000	613,022	--	615,022	328,000
Other	4,780,523	3,743,985	(449,955)	1,898,568	6,175,985(c)
	$ 7,018,083	$4,357,007	$ (229,425)	$2,513,590	$ 8,632,075

<FN>
Notes: (a) Included in Other Assets on the Balance Sheet.
(b) Net of refunds and forfeited advances.
(c) Includes $2.1 million of accrued post-retirement life insurance benefits.
</TABLE>

<TABLE>

SCHEDULE IX

<CAPTION>

THE UNION LIGHT, HEAT AND POWER COMPANY

Short-Term Borrowings

For the Years Ended December 31, 1993, 1992 and 1991

Column A	Column B	Column C	Column D	Column E	Column F
Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period (a)	Weighted average interest rate during the period (a)
<S>	<C>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 1993					
Bank Loans (b)	$25,000,000	3.48%	$25,000,000	$ 5,565,753	3.34%

For the Year Ended December 31, 1992					
Bank Loans (b)	$ 6,500,000	3.57%	$34,000,000	$17,867,486	4.17%
For the Year Ended December 31, 1991					
Bank Loans (b)	$25,000,000	4.81%	$25,000,000	$ 6,902,740	5.94%

<FN>
Notes: (a) Computed by using the average daily borrowings outstanding during the period.
(b) Bank loans consist of notes issued for 90 days or less.
</TABLE>

SIGNATURES

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 on its behalf by the undersigned, thereunto duly authorized, on this 15th day of March, 1994.

THE UNION LIGHT, HEAT AND POWER COMPANY

By Jackson H. Randolph
____
(Jackson H. Randolph,
Chairman of the Board, President
and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

(i) Principal Executive Officer:

Jackson H. Randolph _________________________________ (Jackson H. Randolph)	Chairman of the Board, President and Chief Executive Officer	March 15, 1994

(ii) Principal Financial Officer:

C. R. Everman _________________________________ (C. Robert Everman)	Senior Vice-President Finance and Director	March 15, 1994

(iii) Principal Accounting Officer:

Daniel R. Herche _________________________________ (Daniel R. Herche)	Controller	March 15, 1994

(iv) A Majority of the Board of Directors:

Terry E. Bruck _________________________________ (Terry E. Bruck)	Director	March 15, 1994
James J. Mayer _________________________________ (James J. Mayer)	Director	March 15, 1994

George H. Stinson _____________________________________ (George H. Stinson)	Director	March 15, 1994
W. D. Waymire _____________________________________ (W. Denis Waymire)	Director	March 15, 1994
R. P. Wiwi _____________________________________ (R. P. Wiwi)	Director	March 15, 1994

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report, dated January 24, 1994, included in the Annual Report on Form 10-K for the year ended December 31, 1993, of The Union Light, Heat and Power Company, into its previously filed Registration Statement No. 33-40245.

ARTHUR ANDERSEN & CO.

Cincinnati, Ohio,
March 15, 1994.