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GREG FICKE
President
The Union Light, Heat & Power Company

VIA OVERNIGHT MAIL

June 13, 2005

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

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PUBLIC SERVICE
COMMISSION

Re: In the Matter of an Assessment of Kentucky's Electric Generation, Transmission, and Distribution Needs, Administrative Case No. 2004-00503

Dear Ms. O'Donnell:

In Ordering Paragraph 2 of the Commission's April 28, 2005 Order in this proceeding, the Commission required electric utilities who participated in a study entitled "An Assessment of Kentucky's Transmission System Vulnerability to Electrical Disturbances" (hereinafter "Vulnerability Study") to certify that they have reviewed the study and taken appropriate corrective action.

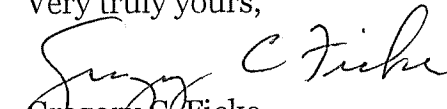
The Vulnerability Study base case scenario identified "fewer than 150" initiating events as potential cascading events which could result in widespread outages in Kentucky. Only five of these events involved Cinergy-owned facilities. We conducted detailed review and modeling of these five events. We concluded that none of these events would result in wide area cascading from Cinergy-owned facilities tripping due to overloads.

The Vulnerability Study extreme case scenario identified approximately 1,000 scenarios identified as "extreme grid operation scenarios" such as high levels of power transfers across Kentucky or imports into Kentucky. We did not conduct detailed review and modeling of these scenarios involving Cinergy-owned facilities. We expect that the various Reliability Coordinators responsible for coordinating energy transfers across the sections of the transmission grid under their control would coordinate, as they do today, to ensure that the grid does not develop those "extreme operation scenarios," and would follow established operating procedures if an extreme situation develops.

Finally, Ordering Paragraph 3 of the Commission's April 28, 2005 Order requires electric utilities to keep available for Commission inspection records of the utilities' steps to respond to the Vulnerability Study. If Commission Staff wishes to inspect these records, please contact Mr. Ed Kirschner, Manager, Bulk Transmission Planning, at (317)838-1455.

Thank you for your consideration in this matter.

Very truly yours,



Gregory C. Ficke
President

JJF/sew