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July 25, 2005

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Kentucky Public Services Commission  
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PUBLIC SERVICE  
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**Re: Docket No. 2005-0142 and 2005-0154, Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for Construction of Transmission Facilities in Jefferson, Bullitt, Meade, Hardin, Anderson, Woodford and Franklin Counties**

Dear Ms. O'Donnell:

I am the Executive Director of the Kentucky Heritage Council and the State Historic Preservation Officer. I am writing in regard to Docket Numbers 2005-0142 and 2005-0154, the joint application of Louisville Gas and Electric Company and Kentucky Utilities Company (the "Companies") for a certificate of Public Convenience and Necessity for Construction of Transmission Facilities in Jefferson, Bullitt, Meade, Hardin, Anderson, Franklin and Woodford Counties, Kentucky, as that application is affected by the requirements of Section 106 of the National Historic Preservation Act, 16 U.S.C. § 470 et seq. ("Section 106"). The intent of this letter is to make you aware that the applicants have yet to complete the Section 106 process, and that as a result of this process the proposed route may have to be substantially altered.

Pursuant to Section 106 federal agencies and the companies they license have a responsibility to ensure that their actions do not adversely effect historic properties that are listed in or are eligible for listing in the National Register of Historic Places, and that they take no action that may preclude the Advisory Council on Historic Preservation's ability to comment on an undertaking pursuant to 36 C.F.R. Part 800 of the Council's implementing regulations. This would include committing to an alternative early in the consultation process and not giving full consideration to alternatives that do not adversely impact historic properties.

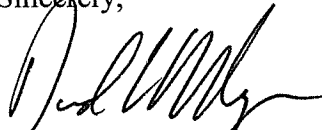


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Ms. O'Donnell  
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Section 106 requires, among other things, that federal agencies/companies identify the area of potential effect of the project, determine the adverse effects of the project on historic properties within that area, propose appropriate mitigation for any unavoidable effects, and enter into a memorandum of agreement with the State Historic Preservation Office as well as other consulting parties that states how they will implement identified mitigative measures. This process requires public involvement at all stages. The section 106 process for the undertaking that is the subject of this application is in the early stages of data collection and to date there has been no formal consultation with this office on this project. While the Companies have hired a consultant whose job will be to coordinate this important work, the Companies have not formally requested consultation, identified consulting parties, identified the Area of Potential Effect in conjunction with the consulting parties or taken any of the other steps required by Section 106. As such I would recommend that consideration of the route of this transmission line be delayed until the companies have completed the Section 106 consultation process.

If you have any questions, please do not hesitate to contact me.

Sincerely,



David L. Morgan, Executive Director  
Kentucky Heritage Council and  
State Historic Preservation Officer