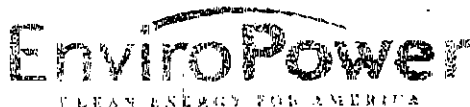


RECEIVED

SEP 04 2003

Executive Director's Office



EnviroPower, LLC

Nine Greenway Plaza, Suite 762

Houston, TX 77046

Main: 832-676-5600 Fax: 832-676-5610

RECEIVED
KENTUCKY STATE BOARD ON
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ELECTRIC GENERATION AND
TRANSMISSION SITING

FAX COVER PAGE

Date: 9/4/03

To: TOM DORMAN

Company: SITING BOARD

Fax No. 502-564-3460

Phone: (502) 564-3940

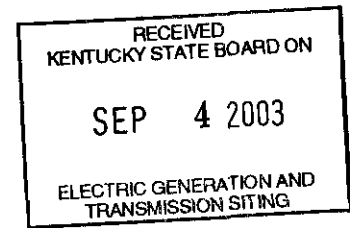
From: FRANK ROTONDI

Phone: 859-494-0994

Comments:

Tom,
The original is being sent by
FedEx today for tomorrow delivery
Frank Roton

No. of Pages including Fax Cover Page



September 1, 2003

Mr. Martin J. Huelsmann, Chairman
Kentucky State Board on Electric Generation and Transmission Siting
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: Case No. 2002-00149 Annual Report

Dear Chairman Huelsmann:

As stated in the Order granting a construction certificate to Kentucky Mountain Power by the Board on Sep. 4, 2002, KMP is instructed to file an annual project impact report addressing the specific mitigation measures outlined in the Order.

Overview

Since receiving the Construction Certificate, KMP's parent company EnviroPower, LLC has gone through many changes that will positively impact the company's ability to construct the project while meeting the requirements specified by the Board. EnviroPower, LLC has entered into Development and Purchase agreements with a group of international and domestic investors that will purchase EnviroPower, LLC and provide the equity funding necessary for construction. The Investor Group is also an owner of interests in major leading international banks. Through its banking relationships, the Investor Group has procured commitment of major lending institutions to fund the remaining debt portion for construction of the project. The Investor Group is 95% complete in negotiations to award an Engineer, Procure, and Construct agreement to leading global technology providers.

The final steps before financial close and commencement of construction are to secure long term Power Purchase Agreements with utilities and/or public power entities, and to complete arrangements for fuel supply. These negotiations are in progress and it is KMP's intention to begin construction by year-end. When PPA, fuel, and EPC agreements are signed, all parties will be publicly identified and KMP will submit a request for transfer of ownership. I expect this to occur in the very near future.

Implementation of Site Development Plan

The Kentucky Department of Transportation has awarded a contract for the new bridge from KY Route 80 to access the site. Construction will begin when KMP completes financing and issues a Notice to Proceed under the EPC contract. No substantive modifications have been made to the Site Development Plan submitted to the Board.

Local Hiring and Procurement

As EnviroPower and our Investor Group complete negotiations of the EPC contract for KMP, we will begin the process of opening a wide variety of subcontracting opportunities to local firms. As we have stated in the past, a very large number of jobs will be created during the construction period for this project. As many of those jobs as possible will be filled through use of the local labor force.

Public Comments and Responses

There have not been any oral, written, telephonic, or e-mail complaints received by KMP.

Specific Mitigation Conditions

These specific conditions will be included in EPC contract language and implemented before construction begins.

In January 2003 EnviroPower, LLC closed the Lexington office and temporarily relocated the corporate headquarters to Houston, Texas at the following address:

EnviroPower, LLC
Nine Greenway Plaza
Suite 762
Houston, TX 77046
Phone: 832-676-5612
Fax: 832-676-5610

If there are any questions please contact Randy Bird at 606-434-0329.

Respectfully submitted,



Frank Rotondi
President and CEO
EnviroPower, LLC