



Kentucky Mountain POWER
NEW ENERGY FOR EASTERN KENTUCKY

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**PUBLIC SERVICE
COMMISSION**

September 1, 2005

Mr. Mark David Goss, 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 Goss:

This is the annual project report that KMP is required to submit according to the above referenced Order.

As specified in KRS 278.704 (1), KMP must commence construction of the facility prior to the expiration date on September 4, 2004 of the KSBEGTS Construction Certificate.

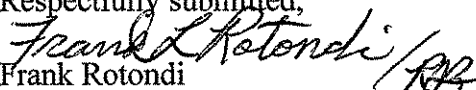
KMP commenced a continuous program of physical on-site construction on April 28, 2004 satisfying KRS 278.700 (4). The Division for Air Quality was notified of this according to the requirements of the air permit. The local DAQ Inspector visited the site verifying the commencement of construction and the Director of DAQ along with other staff members attended a briefing on site July 9, 2004 confirming the same.

No substantive modifications have been made to the Site Development Plan submitted to the Board.

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

If there are any questions please contact Randy Bird at 606-434-0329 or randy@enviropower.com.

Respectfully submitted,


Frank Rotondi
CEO