



September 3, 2004

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 letter represents the annual project report that Kentucky Mountain Power, LLC ("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 Kentucky Division for Air Quality has inspected the construction to date and verified KMP's compliance with Air Permit construction requirements.

No material modifications have been made to KMP's Site Development Plan.

There have been no oral, written, telephonic, or e-mail complaints received by KMP.

If there are any questions please contact EnviroPower at 832-676-5600.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank Rotondi", is written over the typed name.

Frank Rotondi
President and CEO