

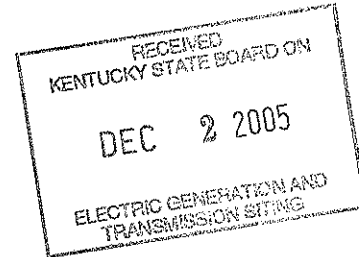


Holland N. McTyeire, V  
Direct (502) 587-3672 Fax (502) 540-2223 E-mail hnm@gdm.com

*Via Hand Delivery*

December 2, 2005

A.W. Turner  
Staff Attorney  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40601



Re: In the matter of: The Application Of Thoroughbred Generating Company, LLC  
For A Merchant Power Plant Construction Certificate In Muhlenberg County,  
Kentucky, Case No. 2002-00150

Dear A.W.:

Enclosed herewith please find a copy of a project status letter that was mailed yesterday to the Board Chairman by Dianna Tickner, President of Thoroughbred, which I am separately providing to you to ensure you receive a copy.

If you have any questions related to this letter, or any other matter, please do not hesitate to contact me.

Sincerely,

Holland N. McTyeire, V

HNM/jh

Enclosure

cc: James M. Miller  
Jennifer M.H. Keisling  
Kendrick R. Riggs  
David S. Kaplan  
Thomas J. FitzGerald

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# Thoroughbred Generating Company, LLC

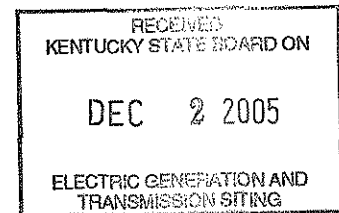
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701 Market Street, Suite 500  
St. Louis, Missouri 63101  
314-342-7613

Sent via Federal Express

December 1, 2005

Mark David Goss  
Chairman  
Kentucky State Board on Electric  
Generation and Transmission Siting  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40612



RE: Case No. 2002 – 00150  
Thoroughbred Generating Company, LLC. Annual Report

Dear Chairman Goss,

By Board Order issued December 5, 2003, Thoroughbred Generating Company, LLC was issued a Certificate to Construct an Electric Generating Facility in Muhlenberg County, Kentucky. Pursuant to Appendix A of that Order, Thoroughbred is required to file annually with the Board a report regarding the status of the project. Although Thoroughbred's appeal of certain aspects of the Board's December 2003 Order remains pending, Thoroughbred submits this letter as its second annual report. (Thoroughbred initial annual report was submitted to the Board by letter dated November 17, 2004.)

## A. Overview

There has been no change in the construction status of the Thoroughbred Plant since Thoroughbred's last annual report. Consistent with last year's report, delays in construction and site activities continue primarily as a result of the administrative challenge to the facility's air permit. Plans for the construction start date will not be finalized until the air permit challenge is resolved. That proceeding has been pending since late 2002 before the Kentucky Environmental & Public Protection Cabinet (EPPC), Office of Administrative Hearings and is styled, Sierra Club, et al. v. EPPC and Thoroughbred Generating Company, LLC, File Nos. DAQ-26003-037 and 26048-037. The Hearing Officer's Report and Recommended Order in the proceeding was issued in August 2005 and is currently under review by the Secretary of the EPPC for final decision. It is hoped that the Secretary's final decision will be received in the near future. A further appeal to Franklin Circuit Court is possible if any of the parties to the appeal disagree with the Secretary's final order.

With respect to Thoroughbred's other EPPC permits and approvals, pursuant to changes to EPPC Division of Water regulations that became effective this year, Thoroughbred has submitted an application to the Division of Water for a permit to withdraw water from the Green River for the Thoroughbred Plant. The recent regulatory changes provide for Division-issued "letters of assurance" reserving water withdrawal amounts to be replaced by Division-issued water withdrawal permits. Thoroughbred's application for a permit to replace its previously-issued letter of assurance is currently under review by the Division.

With regard to Thoroughbred's appeal of the Board's December 2003 Order to Muhlenberg Circuit Court, settlement discussions between the parties remain ongoing. As discussed in more detail below, in May of this year, Big Rivers Electric Corporation (BREC) and Thoroughbred executed and entered into an Interconnection and Operating Agreement which has been approved by the Kentucky Public Service Commission (PSC) and has been filed with the Board. *Settlement discussions between the other parties to the appeal remain ongoing, although no final resolution of the appeal has been achieved to date.*

B. Implementation of Site Development Plan

As noted above, no construction or site activities have commenced.

C. Local Hiring and Procurement

No construction or site activities have commenced so there are no developments to report with respect to hiring or procurement.

D. Public Comments and Responses

No complaints or comments from the public have been received by Thoroughbred during the intervening period since the last report.

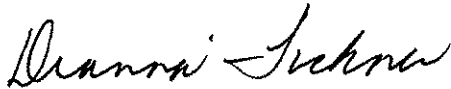
E. Specific Mitigation Conditions

In Mactec's September 4, 2003 report to the Board, the consultant suggested certain changes to the Thoroughbred entrance road and U.S. Highway 62. Mactec's recommendations were adopted by the Board (Order at p. 22). As reported in Thoroughbred's last annual report, these plans were presented to and discussed with the Kentucky's Transportation Cabinet, Department of Highways (KTC), the entity responsible for issuing the entrance construction permit and KTC did not agree with the plans and provided revisions. A copy of the MACTEC plans marked with KTC's changes and KTC's letter explaining its decision was attached to Thoroughbred's last annual report for reference. The plans are currently under revision pursuant to KTC's comments in preparation for the submission of a permit application.

As mentioned above, in May of this year, BREC and Thoroughbred entered into an Interconnection and Operating Agreement. On application of BREC pursuant to KRS 278.212, that Agreement was approved by the PSC by Order dated November 8, 2005 (Case No. 2005-00300), without objection from the other parties to this proceeding, as being "in compliance with the requirements of KRS 278.212(2)" and "fair, just, reasonable, and non-discriminatory." On November 22, 2005, Thoroughbred submitted the Agreement to the Board for approval as well.

Should the Board have any questions or require additional information regarding the project status you can contact me at 314-342-7613.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dianna Tickner".

Dianna Tickner  
President

cc: Holland N. McTyeire, V  
Carolyn M. Brown  
Carl W. Breeding