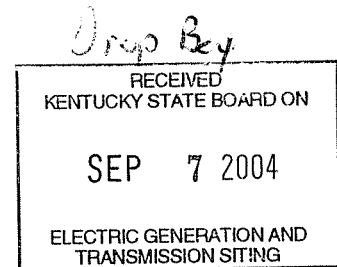


S T O L L | K E E N O N | & | P A R K | L L P

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September 7, 2004



Kentucky State Board on Electric Generation
and Transmission Siting

c/o

Elizabeth O'Donnell

Executive Director

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40601

RE: Case No. 2002-00171

Enclosed for filing in the above-referenced case are the original and ten (10) copies of Westlake Energy Corporation's Response to the Board's July 9, 2004 Order. Please indicate receipt of this filing by your office by placing a file stamp on the extra copy and returning to me the enclosed, self-addressed stamped envelope.

Sincerely,

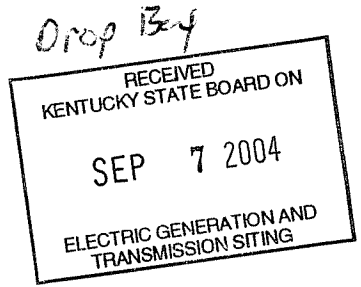
Douglas F. Brent /ps

Douglas F. Brent

Counsel for Westlake Energy Corporation

DFB:jms

enc.



COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY STATE BOARD ON
ELECTRIC GENERATION AND TRANSMISSION SITING

In the Matter of:

THE APPLICATION OF WESTLAKE)
ENERGY CORPORATION FOR A)
CERTIFICATE TO CONSTRUCT A) CASE NO. 2002-00171
COMBINED CYCLE NATURAL GAS-)
FIRED GENERATING PLANT IN)
MARSHALL COUNTY, KENTUCKY)

RESPONSE OF WESTLAKE ENERGY CORPORATION

Westlake Energy Corporation (“Westlake”), by its undersigned counsel, hereby responds to the Board’s July 9, Order in this proceeding. The order notes that on May 15, 2002 Westlake filed a notice of intent to construct a 520 MW combined cycle natural gas-fired electric generating plant in Calvert City, Marshall County, Kentucky. The order also states the “case” was docketed as Case No. 2002-00171, while noting that Westlake has not submitted a construction application to the Board.

KRS 278.704 requires any person intending to construct a merchant electric generating facility to apply for and obtain a construction certificate from the Board. KRS 278.706 requires any person seeking to obtain a construction certificate to file an application with the Board. Although Chapter 278 does not require filing of an advance notice of intent to later file an application, the Board’s administrative regulations do require filing of a notice of intent. 807 KAR 5:110. The regulation requires the notice of intent to be filed “[a]t least thirty (30) days prior to filing an application to construct...” Pursuant to this regulation, Westlake filed its notice of intent. There is no additional statutory or administrative requirement that Westlake file its

application within a prescribed interval after the notice of intent. Although the Board assigned a case number after the filing of the notice of intent, technically, the Board is not required to take any action until the filing of the application. Westlake is pleased, however, to update the board concerning its intent to file an application to construct.

Westlake is continuing to work on establishing a reliable and economic power supply for the Calvert City complex. As the Board is aware, the past two years have been marked by dramatic changes in the electric power industry. In addition to significant run-ups in fuel prices, including for natural gas, there have been other economic and environmental factors, including transmission issues, and technology changes contributing to uncertainty in future power supply. Westlake continues to evaluate the best arrangements for ensuring a reliable supply of electric power for the Calvert City complex. It is expected that this evaluation by Westlake will reach a definitive conclusion within the next six months regarding the optimum service arrangement for Westlake's Calvert City operations. Westlake will either file its application or provide a further report to the Board at the conclusion of its evaluation within six months

Westlake respectfully requests the Board accept this interim report at this time pending a more detailed report at the conclusion of its evaluation, and hold the proceeding in abeyance during the interim period.

Respectfully submitted,



C. Kent Hatfield

Douglas F. Brent

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400 West Market Street


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(502) 568-9100

COUNSEL FOR WESTLAKE ENERGY CORPORATION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Response Of Westlake Energy Corporation was served upon all parties of record this 7th day of September, 2004.


C. Kent Hatfield

Mr. Fred Jones Westlake Energy Corporation 2801 Post Oak Boulevard Houston, TX 77056	James Nicholas Westlake Energy URS 36 East 7 th Street, Suite 2300 Cincinnati, Ohio 45202
Hon. Kenneth M. Miller Judge/Executive Marshall County Courthouse 1101 Main Street Benton, KY 42025	Hon. LaJuana S. Wilcher Secretary Environmental and Public Relations KY Division of Energy Fifth Floor, Capital Plaza Tower Frankfort, KY 40601
Richard E. Nash Administrator Calvert City Planning Commission 115 Fifth Avenue P.O. Box 36 Calvert City, KY 42029	J. R. White Commissioner – Community Development Economic Development Cabinet 2300 Capital Plaza Tower, 23 rd Floor 500 Mero Street Frankfort, KY 40601