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CINERGY.

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960
tel 513.287.3657

John C. Procario
Sr. Vice President & COO
Regulated Businesses

July 22, 2004

Ms. Beth O'Donnell
Executive Director
Environmental and Public Protection Cabinet
The Kentucky State Board on Electric Generation and Transmission Siting
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615

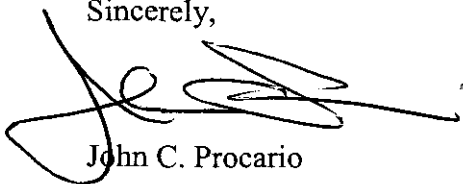
Dear Ms. O'Donnell:

In response to your inquiry dated July 15, 2004 regarding potential upgrades required to the Cinergy transmission system resulting from the Estill County Energy project that is planned to be connected to Kentucky Utilities' transmission system (Case No. 2002-00172), we have reviewed the project and its potential impact on our transmission system. Based on our review, we believe that no upgrades will be required to our transmission system to accommodate the connection of the facility to KU's system.

The MISO study indicated that a delivery area had not yet been identified for the generator. While we would not expect a significant impact on our transmission system due to the unit delivering its output to any particular location, our response assumes that once a delivery location has been identified, it will be reviewed by the MISO to ensure that no adverse impacts occur.

Please do not hesitate to contact Ron Snead at 513-287-2501 with any questions you may have.

Sincerely,



John C. Procario

*Copy was
faxed to
you on
7-22-04*