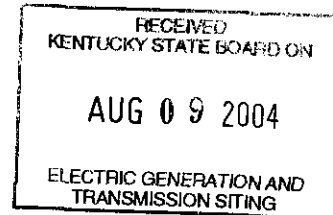




Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

August 6, 2004

Ms. Beth O'Donnell
Kentucky State Board on
Electric Generation and Transmission Siting
211 Sower Blvd.
Frankfort, Kentucky 40602



Dear Ms. O'Donnell:

Thank you for your July 19, 2004 letter regarding Estill County Energy Partners' proposed interconnection to the transmission system of Kentucky Utilities (KU). We have not heretofore received from MISO or KU any information concerning the proposed interconnection of the new generation facility; we appreciate your bringing this to our attention.

We have reviewed MISO's analysis. Based on the present size and location of the proposed generation, we do not anticipate any impacts on the TVA transmission system. However, we do not have enough information to conduct an appropriate interconnection system impact study to ensure that is the case. We would appreciate your asking a representative of Estill County Energy to contact me so we can discuss the type of information needed to conduct an appropriate study. I may be reached at (423) 697-4276 or by e-mail at jrgardner@tva.gov.

Thank you for apprising TVA of this proposed project. We look forward to working with representatives of Estill County Energy Partners.

Sincerely,

John Gardner
Manager, Transmission Commercial Operations

By Federal Express