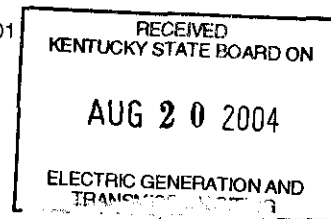




Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

Case No. 2003-00172



August 18, 2004

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

Dear Ms. O'Donnell:

This letter supplements my August 6 letter to you regarding Estill County Energy Partners' proposed interconnection to the transmission system of Kentucky Utilities (KU). While TVA has not conducted studies to evaluate the impact to the TVA system of the generator interconnection project, through our participation in various MISO working groups, TVA is aware of the project and the results of MISO's and KU's analyses.

We have requested additional information from Estill County Energy so that we may conduct an appropriate analysis. Upon receipt of this information, TVA will promptly conduct this analysis and will promptly report our findings to Estill County Energy's Gerry Mack.

If you need additional information or clarification on the status of the TVA analysis, please let me know.

Sincerely,

John Gardner
Manager, Transmission Commercial Operations

By Federal Express