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NEWS RELEASE

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SITING BOARD APPROVES ESTILL COUNTY POWER PLANT *Certificate conditioned on resolution of property dispute*

FRANKFORT, Ky. (Oct. 12, 2004) – The Kentucky State Board on Electric Generation and Transmission Siting (Siting Board) has granted a certificate to Estill County Energy Partners, LLC to build a 110-megawatt plant on a site near Irvine.

The certificate will not become effective until a dispute over ownership of portions of the property is resolved. The Siting Board, in an order issued today, also imposed a number of conditions that would mitigate the visual, traffic and noise impacts of the proposed facility.

Estill County Energy Partners applied to build the \$150 million plant on 28 acres of a 620-acre site previously used for coal processing. The plant would burn primarily waste coal now stockpiled at the site. The site contains enough fuel to last 25 to 30 years, the company said in its application.

Ownership of at least 100 acres of the property is in dispute. Fox Trot Properties, LLC, a company affiliated with Estill County Energy Partners, contends it owns the entire 620 acres.

Contesting that claim are DLX, Inc., and a trust, both owned by the LaViers family, which established the coal processing facility in 1959. They claim ownership of a portion of the property Estill County Energy Partners is proposing to use, including an 80-acre tract of coal waste and the 28-acre proposed plant site.

The Siting Board has no authority to resolve property disputes. A federal court overseeing the bankruptcy of DLX is scheduled to rule on who owns the land.

Once the ownership issue is resolved, Fox Trot Properties and Estill County Energy Partners are to submit to the Siting Board proof of the right to use the property and an analysis of whether the original application would need to be amended. If necessary, the Siting Board would reopen the case to consider major changes.

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In approving the project, the Siting Board noted the overwhelming support from the local community. Speakers at a local public hearing emphasized the jobs the plant would bring, removal of the unsightly former coal processing plant and reclamation of the piles of waste coal.

Estill County Energy Partners will be required to submit annual reports to the Siting Board outlining progress on the project and compliance with conditions in the order. Reports are to include a description of efforts to hire local workers and use local vendors and a summary of any public comments or complaints.

The order is available on the Web at:

Link will go here

Estill County Energy Partners' application and related documents are available on the Siting Board Web site:

http://psc.ky.gov/agencies/psc/siting_board/merchant.htm

The case number for Estill County Energy Partners is 2002-00172.

The Siting Board is an agency within the Environmental and Public Protection Cabinet. It is charged with reviewing applications for merchant power plants, also known as independent power producers, that sell electricity on the wholesale, unregulated market.

Members of the Siting Board hearing the Estill County Energy Partners case were Kentucky Public Service Commission (PSC) Chairman Mark David Goss, PSC Vice Chairman Ellen Williams, PSC Commissioner Greg Coker, Kentucky Environmental and Public Protection Cabinet Secretary LaJuana Wilcher, Department for Existing Business Development Commissioner J.R. Wilhite (designee for Kentucky Economic Development Cabinet Secretary Gene Strong), Estill County Judge-Executive Wallace Taylor and John St. Clair, an Irvine businessman appointed by Gov. Ernie Fletcher to represent the local community.

The chairman of the PSC serves as chairman of the Siting Board. The PSC's 110 employees provide staff and administrative support to the Siting Board.

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