

**Oswegatchie, LLC
58 Wilsondale Street
Dover, Massachusetts 02030**

September 19th, 2007

Mr. Louis Sell
Chairman
Coopers Mills Dam Study Committee
571 east River Road
Whitefield, Maine
04353

Dear Mr. Sell;

Oswegatchie, LLC has been asked to provide the Coopers Mills Dam Study Committee with an assessment of the feasibility of developing a hydroelectric generating station on the Sheepscot River, at the Coopers Mills Dam in the Town of Whitefield, Maine.

As you and your committee are aware we have visited the dam and had discussions with the Committee and with you in your capacity as the Chairman of the Committee. Further we have had some access to the various documents and studies which have been conducted by at least two consulting engineering firms to determine among other things, the nature of flow duration and existing water regimes; as well as the civil soundness and stability of the dam. During a visit to the dam in concert with a meeting with the Study Committee, we had the opportunity to see the dam and its current condition, and make cursory assessments to gain a general understanding of the situation in Coopers Mills.

Separately based on our own efforts we have had discussions with some of the State of Maine resource agencies about the viability of a hydro electric project, in Coopers Mills. We have discussed and received unqualified quotations for the supply of mechanical and electrical equipment for the purposes of generating hydroelectricity at the site. Further we have done some work to gain a better understanding of the forward energy markets in Maine, which would have a direct impact on the viability of very small scale hydro electric generating station at Coopers Mills dam.

Based on these very early discussions and our review of the dam and its soundness and stability we feel that a very small scale hydro electric station could be built and operated at the existing dam site. We have received preliminary quotations for turbine and generator sets that could produce in the high range 300 kilo watts an hour of electricity. Ancillary equipment such as transformers, switch gear and control equipment are under separate review. We have an estimate of the cost of the civil repairs and a new powerhouse structure; we are currently reviewing these costs to come to a more complete conclusion on costs. We do not believe that some of the estimates, we have seen for building the project seem high, and feel that an appropriate utility grade power house and systems can be accomplished in a range which is lower than current estimates.

Our principal concern is twofold. The first is the volatile nature of the energy markets in the State of Maine and New England in general. The cash stream is not as robust as we had hoped and the forecast is quite frankly not as high as we would necessarily like at this point in time. That said, we do not see energy becoming cheaper. Fossil fuel energy prices drive the market and we have seen spot crude oil prices in the \$80.00 a barrel range this year. It is anybody's guess, but the rising price of fossil fuel, coupled with climate change, may invigorate the State of Maine and New England states to adopt aggressive renewable energy credit standards which would compliment the spot market price for power. Additionally, the possibility of finding a local bilateral customer who will enter into a long term power purchase agreement which could be used to finance such a project through a traditional lending institution is another possible solution.

The second concern; is the long-term potential of the dam actually remaining in place. Despite a strong interest on the part of the Whitefield community, there is a small but determined group that is focused on removing the dam. Without clear support of the Town, we can see the potential for a long, protracted and difficult regulatory process which will take time and significant resources to overcome, making the project economically unviable.

In short we are interested in the project, but have reservations and qualifications which need to be addressed. We view this as the first in a series of steps necessary to determine whether hydro power has a future in Coopers Mills. This should not be considered binding to either, the Committee or Oswegatchie, LLC, but merely an expression of interest. It goes without saying that there can be no discussion of a hydro electric station if the dam is removed. We trust that the Committee and town of Whitefield are working toward a solution which at the very least will allow the dam to remain and perhaps ultimately provide some power for the local community.

If you have any questions please feel free to contact me and bring forward any thoughts or suggestions which you and the committee may have in the matter.

Sincerely;

Charles C. Wemyss, Jr.
Oswegatchie, LLC