

Exhibit B

TOWN OF SANDWICH

THE OLDEST TOWN ON CAPE COD

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SANDWICH, MA 02563

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BOARD OF
SELECTMEN

TOWN
MANAGER

October 7, 2008

Robert Varney
Regional Administrator
EPA New England
One Congress St.
Boston, MA 02114-2023

Ian Bowles
Secretary of Energy and Environmental Affairs
Commonwealth of Massachusetts
100 Cambridge Street, Suite 900
Boston, MA 02114

Laurie Burt
Commissioner
Massachusetts Department of Environmental Protection
One Winter Street, 2nd Floor
Boston, MA 02108

Re: Canal Station NPDES Permit, Sandwich, MA

Dear Mr. Varney, Secretary Bowles, and Commissioner Burt:

The Board of Selectmen ("Board") of the Town of Sandwich ("Sandwich" or the "Town") has reviewed the final National Pollutant Discharge Elimination System ("NPDES") permit, #MA0004928, issued by EPA New England and MassDEP on August 1, 2008 regarding the Mirant Canal Station (Canal Station) located in our town and operated by Mirant Canal LLC ("Mirant Canal").

We understand that the final NPDES permit is drastically different from the draft NPDES permit EPA and MassDEP proposed in December 2005. If it becomes effective as issued, the permit would have effects on Sandwich that concern us very greatly. As the Town was not provided any opportunity to comment on the changed provisions before the final permit was issued, we strongly request that EPA and MassDEP exercise their authority to reopen the permit proceedings, and then take and consider comments on those changes before issuing a new final permit.

At the outset, we wish to reiterate the long and cooperative relationship between Mirant Canal and the Town. Mirant Canal is not only important to the Town, but to the Cape and Vineyard generally, for the economic and energy reliability benefits it provides. And the long-term prospects for environmental enhancement of Mirant Canal is something the Town believes should be considered and valued by policymakers, consistent, of course, with applicable statutory and regulatory standards. As discussed below, if the new NPDES permit is not modified, all of these attributes will be in serious jeopardy.

The particular changes that concern us now involve the requirements for the intake of cooling water from the Cape Cod Canal. The draft permit proposed to require Mirant Canal to conduct the

extensive evaluations then required under the so-called Phase II rules issued by EPA under section 316(b) of the Clean Water Act, with decisions on any new cooling water intake requirements to await the results. The Town of Sandwich had and has no objection to that sort of requirement.

In the final permit, EPA and MassDEP decided not to wait for those evaluations, much less to consider the results. Instead, they reached a determination to require Mirant Canal to install cooling towers or equally well-performing technology. They did so even as the Phase II rules have been suspended by EPA due to litigation that will be resolved in the foreseeable future by the pending case in the U.S. Supreme Court. Moreover, they did so without providing any opportunity for public comment on that major change from the proposed permit.

This Board objects strongly to the imposition of those requirements without having provided the Town and others with the opportunity to comment on the consequences of requiring cooling towers. This Board understands that it is unlikely that any equally well-performing technology is available, and that the expense of cooling towers would be very substantial. EPA used a 2003 estimate of \$122 million; certainly the actual costs now would likely be considerably higher. We also understand that expenditures in that range may not be sustainable by the Canal Station.

Moreover, even if Mirant Canal were able to absorb the expense of such technology, the installation of cooling towers or any substantially similar approach would raise a complex range of other local concerns, including aesthetic issues and issues of salt drift and fogging, that would involve major permitting at the local, regional, state and federal levels apart from the NPDES permitting.

Due to these issues, had the cooling tower requirement been proposed for public comment, this Board would have been sure to comment and to urge that the agencies and the company develop intake requirements that protect the environment while also allowing the plant to survive. The Board believes that EPA and MassDEP now should re-open the permit and consider comments from the public, including the Town.

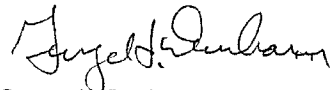
We are aware that Mirant Canal has appealed the final permit and that it will not go into effect until that appeal is resolved. And we are aware that one of the issues in the appeal is the absence of opportunity for public comment on the cooling tower requirements. Rather than litigate over that procedural issue, however, we request that the EPA and MassDEP determine that the major consequences of requiring cooling towers warrant reopening the permit to allow us and others to comment.

Thank you for your consideration of this input. If you have any questions or would like to meet to discuss these matters further, please contact Town Manager Bud Dunham at 508-888-5144.

Very truly yours,



Linell Grundman
Chairman
Board of Selectmen



George H. Dunham
Town Manager

cc: Jeffrey M. Bernstein, Special Town Counsel
Jeffrey Perry, President, Mirant Canal
State & Federal Legislative Delegation