

Exhibit C

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TOWN OF SANDWICH

THE OLDEST TOWN ON CAPE COD

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BOARD OF
SELECTMEN

TOWN
MANAGER

September 24, 2008

Mark Forest
Chief of Staff
Congressman William D. Delahunt
146 Main Street
Hyannis, MA 02601

Re: Summary of Recent Issues Involving Mirant Canal, LLC

Dear Mr. Forest:

As we discussed, the Town of Sandwich has been working closely with representatives of Mirant Canal, LLC ("Mirant") on several issues that have arisen recently which have a direct impact on the long-term, financial viability of the power plant and the economic health of the Town. Specifically, two major issues have come to light in the last few months that Mirant is attempting to address:

- 1) the energy reliability problem experienced by residents of Lower/Outer Cape Cod and the corresponding uplift issue which Mirant is attempting to address through discussions with the Independent System Operators – New England ("ISO-New England"); and
- 2) a recent decision regarding a National Pollutant Discharge Elimination System ("NPDES") permit which could threaten the future financial viability of the plant by requiring the installation of massive cooling towers at the facility.

In summary, Mirant has discussed with ISO-New England and the Massachusetts Department of Public Utilities a proposal to address the Outer Cape's long-term energy reliability issue and corresponding uplift problem. Mirant's plans call for the consideration of a repowering of Canal Station or the installation of quick-start peaking capacity. Both of these projects would address the reliability issue on Cape Cod and would involve the use of clean, efficient, natural gas as a fuel source and would drastically decrease current emissions of pollutants. ISO-New England has, thus far, been unreceptive to consider Mirant's alternative proposal and, instead, has focused upon a transmission solution that would involve another transmission line onto Cape Cod. It's possible that a repowering of Canal Station or the installation of quick-

start peaking capacity would solve the Cape Cod reliability problem both much cheaper and quicker than the transmission fix. Thus far, ISO-New England has not been well-dispersed towards Mirant's submission, choosing to focus upon power distribution methods as opposed to the creation of new generation resources that would address the same Lower Cape uplift problem. ISO-New England's response troubles us as this option may be cheaper and quicker and may avoid the need for new rights of way and eminent domain takings from New Hampshire to Provincetown.

More recently, EPA and Massachusetts Department of Environmental Protection issued a new NPDES permit for the plant which, among other issues, addresses the intake and output of cooling water from the Cape Cod Canal. This permit was issued in August 2008 with a condition requiring the installation of cooling towers, projected to be more than 400' in height and looking very similar to the towers made famous by the Three-Mile Island nuclear energy problem several decades ago. The estimated cost to construct these towers would be well in excess of \$100 million, which, if required to build, would basically result in the shutdown of Canal Station. Mirant is appealing this condition and the Town plans to file a letter shortly in support of those efforts.

These issues are explained in great detail in the following documents which are attached to assist in your review of the issues related to Mirant:

Uplift-Related Documents

1. a May 12, 2008 presentation made by Mirant to ISO-New England about repowering Canal Unit #2;
2. a May 20, 2008 presentation made by Mirant to the Massachusetts Department of Public Utilities about repowering Canal Unit #2;
3. a May 21, 2008 transmittal letter from Mirant to ISO-New England; and

NPDES-Related Document

4. the August 1, 2008 NPDES decision issued by the U.S. Environmental Protection Agency and the Massachusetts Department of Environmental Protection.

I hope these documents help in understanding the issues currently facing Mirant and the Town. One of the primary reasons the Town is so concerned is that Mirant currently makes up 6.8% of Sandwich's total tax base. To lose the tax income generated by Mirant (\$2,449,940 in FY'08) would have a devastating impact on our community's economic health. If the plant was closed and the tax value lost, the impact on homeowners would be an immediate \$230 annual increase in the average tax bill in Sandwich. Conversely, if Mirant was allowed to repower or build incremental generation, the Town's tax base would increase, the emission of pollutants would drop considerably, and the long-term, financial viability of the plant would be greatly enhanced. That Mirant is proposing to address both problems by creating new powering capabilities proves it believes that the power plant makes sense where it

currently is located, provided it can be overhauled to make it more relevant for the future.

It should be noted that in order to facilitate open discussions and the sharing of information between Mirant and the Town, both parties entered into a confidentiality agreement. Prior to sending this correspondence I reviewed the draft with Mirant representatives and confirmed the attached documents could be distributed.

If you'd like to meet to discuss these matters further, I'm sure I could arrange a meeting at your convenience with the appropriate Town and Mirant officials, including Special Town Counsel Jeffrey Bernstein who assists us on energy matters affecting Mirant and Mirant Canal President Jeff Perry.

Thank you again for your attention to these matters and please do not hesitate to call if you have any questions or need additional information.

Sincerely,



George H. Dunham
Town Manager

cc: Board of Selectmen
Director of Assessing
Atty. Jeffrey Bernstein
Jeff Perry, President, Mirant Canal, LLC