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October 5, 2005

Mr. James Matteau
Windham Regional Commission
139 Main Street, Suite 505
Brattleboro, VT 05301

Re: *WRC Report and Recommendations to the Vermont Public Service Board on the Deerfield Wind, LLC proposal to expand the existing Searsburg Wind Power Facility.*

Dear Jim:

I am writing on behalf of our client, Deerfield Wind, LLC, to provide brief responses to the three recommendations of the Windham Regional Commission (WRC) to the Vermont Public Service Board on the proposal to expand the Searsburg Wind Power Facility on U.S. Forest Service Lands within the Green Mountain National Forest.

At the outset, it should be noted that Deerfield Wind, LLC appreciates the WRC's involvement and participation in the Deerfield Wind-sponsored Collaborative Team meetings. The Collaborative Team was organized three years ago by Deerfield Wind, LLC to provide a forum for discussions among various public agencies and private organizations with a stake in the outcome of the Deerfield Wind evaluation processes. Attendees to Collaborative Team meetings have included representatives from the applicant, several not-for-profit conservation organizations, local government, regional planning commissions, utilities, state and federal government agencies, and the interested public. The Collaborative Team has met over fifteen times over a nearly three-year period, with sub-groups meeting in addition, and has contributed literally hundreds of hours considering the issues raised by Deerfield Wind's proposal. Please accept Deerfield Wind's gratitude for the WRC's time and contributions during these meetings.

The WRC makes three recommendations to the Public Service Board. Deerfield Wind's reactions to these recommendations are as follows:

Recommendation 1: *The Board should accept a petition only when the on-going Environmental Impact Study is completed and the results are available to inform the parties and the process. Alternatively, if the Board is compelled to begin the process before the study is completed, technical hearings on environmental issues should not begin until the related EIS information is available.*

Deerfield Wind's Response: Deerfield Wind opposes this recommendation. Deerfield Wind, through the Collaborative Team initiative and 45 day notice letter, has demonstrated its efforts to share information on the development of data and studies. Stakeholders, including the WRC, have participated in developing the scopes of work used in designing the environmental and other studies themselves. Indeed, the attachments to the 45-day notice letter are the very studies, data and other information being used by the U.S. Forest Service to prepare the Environmental Impact Study. Thus, WRC's statement that "we do not have, and petitioner cannot provide, the information needed to adequately understand the potential environmental impacts" is inaccurate. The transparency exercised by Deerfield Wind in developing this project is very unusual and the wealth, quality and availability of information to parties and the public so early in the process is rare for this type of development project.

The WRC's recommendation is also inconsistent with PSB precedent. Deerfield Wind's project, requiring Public Service Board review and a Special Use Authorization by the U.S. Forest Service, will undergo review by both Vermont and federal authorities. This situation is similar to the one presented by Entergy's proposal to increase power output by Vermont Yankee, requiring review by the Public Service Board and the Nuclear Regulatory Commission (NRC). The Public Service Board found that "Entergy would be in an untenable Catch-22 situation were we to adopt such a course" requiring prior NRC review. *Petition of Entergy Nuclear Vermont Yankee for a CPG*, Docket No. 6812 (March 15, 2004) 2004 Vt. PUC LEXIS 35, 17-19 (Vt. PUC 2004).

Once an application is submitted, the PSB will have the same information, data and studies available to the U.S. Forest Service. There is no reason to delay PSB review and consideration of this information, particularly since the federal and state entities will be applying different regulatory standards. The Board can only apply the state law criteria under section 248; the outcome of the federal permitting process is irrelevant to the criteria the Board will apply in its review.

Recommendation 2: *Sincere and effective negotiations between the Petitioner and host communities should be demonstrated.*

Deerfield Wind's Response: Deerfield Wind agrees, and in fact has been discussing this proposal with host communities and other towns for several years. Since as early as 2003 Deerfield Wind has met with town officials of both Searsburg and Readsboro, as well as with the nearby community of Wilmington, on a number of occasions. The Searsburg Wind Representative and the Readsboro Planning Commission Chair are also members of the Collaborative Team, as are representatives from the towns of Whitingham and Wilmington. Through individual meetings with the towns and town officials, and through Collaborative Team meetings, Deerfield Wind has continued to share information with the host and surrounding communities relating to the project's development and have heard the issues of each community. More recently, conversations with the Towns of Readsboro and Searsburg have focused on potential income scenarios in light of the fact the Deerfield Wind project is proposed on federal land, limiting their potential taxing authority. These discussions continue.

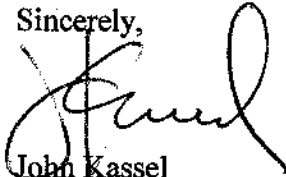
Recommendation 3: *Decommissioning and restoration of the site should be required by any CPG that is issued.*

Deerfield Wind's Response:

As explained in Response #1 above, Deerfield Wind's proposal will undergo both Vermont and U.S. Forest Service review. The issue of decommissioning will be considered appropriately during these processes.

Once again, Deerfield Wind appreciates the WRC's interest in its proposal and welcomes its continued involvement in the process.

Sincerely,



John Kassel

SHEMS DUNKIEL KASSEL & SAUNDERS, PLLC
for Deerfield Wind, LLC

cc: Mrs. Susan Hudson, Clerk, Vermont Public Service Board
Robert Ide, Vermont Department of Public Service
John Zimmerman, Deerfield Wind, LLC

