

NH DEPT OF
ENVIRONMENTAL SERVICES

NOV - 3 2008

Orr&Reno
Professional Association

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October 30, 2008

Judith A. Fairclough
(Of Counsel)
Maureen D. Smith
(Of Counsel)

Thomas S. Burack, Chairman
Site Evaluation Committee
P.O. Box 95
29 Hazen Drive
Concord, NH 03302-0095

**Re: Granite Ridge Energy, LLC
Delay in Auction Sale Process**

Dear Commissioner Burack:

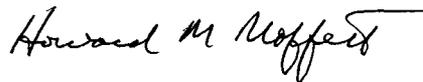
This letter is in follow-up to our letters of August 8 and September 12 regarding the proposed auction sale of equity (membership) interests in Granite Ridge Energy, LLC ("GRE"), which owns the 720-MW combined cycle gas turbine Granite Ridge power plant in Londonderry.

The GRE management team worked with several interested parties as they deliberated on the possible purchase of the asset. However due to the significant change in the credit markets the potential buyers valuations changed significantly.

GRE has continued its discussions with the potential buyers who remain interested in completing a purchase, but in light of the current uncertainty in the financial markets, GRE and the potential purchasers have agreed to slow the process down until the markets show some greater degree of stability. At this point, we expect that it may be several months before the parties resume negotiations which could lead to a sale.

We will keep you informed of any significant developments. If you have any questions in the meantime, please do not hesitate to contact us.

Sincerely yours,



Howard M. Moffett

HMM:kjc

cc: Jim Carlton, Granite Ridge Energy, LLC
David Caron, Londonderry Town Manager