



FEEL THE WIND. THINK CLEAN.™

April 11, 2006

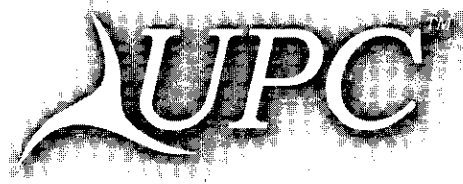
Dear Cohocton Resident:

I am writing to give you information about and update you on the wind farm project that UPC Wind is proposing in the Town. Although I have been at several town and public meetings explaining the project, and UPC has taken residents to Fenner Wind Farm, I understand it is not possible for everyone to attend these events, and so I wanted to communicate in a way that would reach everyone in the Town.

UPC has been in the Town of Cohocton for approximately 3 years. We started in late 2002 by contacting landowners and Town officials to determine whether there was interest in a wind farm project. When we established that there was interest, we worked with landowners and Town officials to permit and erect meteorological towers in order to determine whether there was a sufficient wind resource to support an economically viable project. To tell you the truth, I felt kind of silly telling the landowners on the top of the hills in Cohocton that we had to take this step. They are used to measuring the wind by the number of shingles they lose every winter, and were not surprised to find out that it is windy enough for a project in Cohocton.

Once we concluded there was a viable wind resource, we started environmental studies in anticipation of the State Environmental Quality Review, or SEQR Process. This is a process in which the potential effects that a project may have on the residents and environment of an area are scrutinized. Earlier this month, the Town's Planning Board declared itself the lead agency for review of the project under SEQR, and determined that UPC should prepare a draft Environmental Impact Statement (DEIS) to evaluate the project. UPC is in the process of preparing the DEIS, and will soon be submitting it to the Town and state agencies for review. The DEIS will include the results of the studies that UPC has conducted and other project information. As a part of the SEQR process, the DEIS will be available for public review and comment. The town will publicize the public comment period.

At about the same time that we initiated environmental studies, we started speaking further with the Town concerning the Town's process for review of a wind farm project proposal, and the standards which the Town would apply to such a proposal. As a result of these discussions, the Town decided that it would enact a local law to regulate the development and construction of the wind farm. That law was adopted by the Town in January, 2006. The Planning Board and the Town Board should be commended for their diligence in drafting this local law. The Planning Board thoroughly examined both existing wind farm laws/regulations in the state, and the unique character of Cohocton. This kind of proactive leadership is a model for the rest of the towns in the state which are contemplating wind farms. I should also mention that, as compared to other laws and regulations throughout the state, Cohocton's law strongly protects residents of the Town. For example, other municipalities in New York require wind turbine setbacks from residences to be between 600 and 1500 feet. The Town chose a setback requirement of 1500 feet.



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In the past year, UPC has also explored the feasibility of developing a second wind farm project in the Dutch Hill area. We have found that a project in this area is feasible, so we will begin environmental studies soon, and plan to seek approvals for a wind farm in that area. To clarify, we call the project on Pine, Lent and Brown Hills the Cohocton Wind Farm Project. We call the project on Dutch Hill the Dutch Hill Wind Farm Project.

Another development is that we will be opening a local UPC office in Cohocton within the next month. The office will be located at 29 Maple Avenue, next door to the Post Office. The telephone number will be 585-384-9550. The office will be managed by Cohocton resident Mr. Rick Towner. The office will be a place where Cohocton residents can come to discuss and ask questions about the project and wind farming in general.

Finally, one issue that has come up recently is the concern among Cohocton residents that the Town may not receive enough of the Payment In Lieu of Tax (PILOT) revenues from this project, and that too much of these benefits will go to the school district and the County. On this issue, UPC must remain a neutral party, encouraging the Town, the school district and the County to agree on a division of the revenues that all can live with. That being said, UPC recognizes that the Town is impacted by the project more than the school district and the County (for example, the wind farm will create neither extra school children nor Medicaid recipients), and so it is only fair that the Town should receive a portion of the revenues that is commensurate with this impact. It is certainly in your interest as Cohocton residents to ensure that Cohocton receives a fair share of the revenues from this project.

To give you a rough sense of what kind of total revenues can be expected from UPC's Cohocton and Dutch Hill Wind Farm Projects, I will refer to a recent Steuben County Industrial Development Agency (SCIDA) decision. The SCIDA set the PILOT Agreement for the Ecogen Prattsburgh Windfarm project at \$5300/MW/year. Using this figure, and assuming that UPC is able to permit both the Cohocton and Dutch Hill projects for a total of 124MW, revenues would be in the range of \$660,000/year. It is also important to note that it is UPC's policy to source locally as much as possible construction jobs and materials, and operations and maintenance jobs. The Cohocton and Dutch Hill wind farms would create a demand for roughly \$6-7 Million in local construction jobs and materials, and 4-6 full-time operations and maintenance jobs with annual salaries in the range of \$40-60,000.

UPC is excited about the prospect of moving forward with these wind farm projects in Cohocton. Our intent is to be a good neighbor in the Town and to answer questions and address concerns. If you have any questions or concerns, please call us or stop by our office.

Best regards,

Chris

Chris Swartley  
Development Manager, Northeast  
UPC Wind