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Commonwealth Electric

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Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (617) 291-0950

November 18, 1982

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Dr. Cynthia G. Kruger
President, New Bedford City Council
City Hall
133 William Street
New Bedford, Massachusetts 02740

Dear Dr. Kruger:

Commonwealth Electric Company provides electricity to the Southeastern Massachusetts area including New Bedford. Most of our generated electricity is produced from foreign oil, which due to its run-away cost is the major cause of rising electric bills. Alternate energy sources are essential if we are to hold back price increases. The SEMASS project is a significant long term alternate energy source that will help us do just that.

We, at Commonwealth Electric are totally supportive of the SEMASS project. It represents a unique opportunity for us to provide electricity at a savings to our customers from a facility which will be using an otherwise discarded resource. We have signed a 27 year contract with SEMASS for over \$250 million in power purchases and look forward to their early operation.

This is the first major agreement between a Massachusetts utility and a waste to energy facility under the guide lines of the federal Public Utility Regulatory Policy Act (PURPA). Because this was our first agreement of this type Commonwealth Electric wanted to be assured of several factors: Would SEMASS have the experience and background to accomplish their goals; was the technology they were using reliable; was the project financially feasible; would the plant meet strict environmental requirements; and was there a savings to our customers?

Once we were satisfied with these concerns we began serious negotiations with SEMASS representatives. The result was a contract signed on October 29, 1981.

Dr. Kruger

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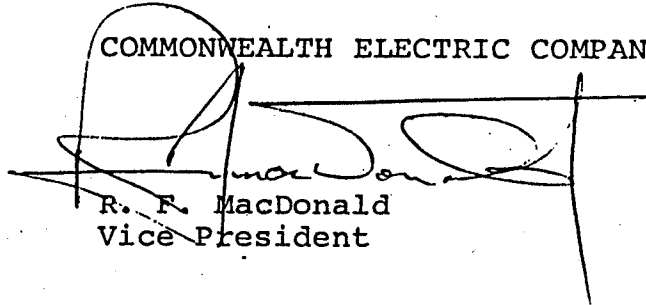
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This project will have tremendous economic and environmental benefits for Southeastern Massachusetts. It will also reduce the dependence of foreign oil by twenty six million gallons per year and help to stabilize electricity prices in our region. We strongly support the SEMASS project and ask that you ratify the contract between the Greater New Bedford Regional Refuse Management District and SEMASS.

We are available to answer any questions regarding our participation in this project.

Very truly yours,

COMMONWEALTH ELECTRIC COMPANY

A handwritten signature in black ink, appearing to read "R. F. MacDonald", is written over a horizontal line. The signature is stylized and somewhat cursive.

R. F. MacDonald
Vice President

RFM:nmf

cc: Council Members