

The Blackite Corporation

May 27, 2004

Via Electronic and Federal Express

Ms. Pamela Katz
Chairman
Connecticut Siting Council
10 Franklin Square
New Briton, CT 06501

Re: Docket No. 272: Application to the Connecticut Siting Council for a Certificate of Environmental Compatibility and Public Need for a 345 kV Electric Transmission Line Facility and Associated Facilities between Scovill Rock Switching Station in Middletown and Norwalk Substation in Norwalk;

Location of the east Devon Substation.

Dear Ms. Katz:

It is our understanding that The Connecticut Light and Power Company (CL&P) indicated, in a recent Connecticut Siting Council session, it was uncertain as to whether Blackite would allow a Phase I site assessment of its 1183/1231 Oronoque Road, Milford, Connecticut property prior to any purchase or payment by CL&P. We also have been led to believe that correction of this misunderstanding has been offered both through testimony and subsequent correspondence. Furthermore, this letter should act as confirmation that Blackite is agreeable to allow such access to said property.

Additionally, in the May 7th response to the April 12th interrogatories by The Town of Milford, Mr. Roger Zaklukiewicz, for the Connecticut Light and Power Company and the United Illuminating Company (Applicant), raises certain issues regarding our 1183/1231 Oronoque Road, Milford, Connecticut property, including the Applicant's belief that such property may require environmental remediation. Regarding such same issue, the applicant may have confused the two sites in discussion, because it is, in fact, the Jordan Realty site on Shelland Street, and three businesses adjacent to the Jordan Realty site, which has been issued, in August 2003, (see attached) pollution abatement orders by the Connecticut Department of Environmental Protection in connection with alleged TCE

BLACKITE

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Pamela Katz – Connecticut Siting Council

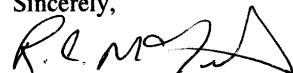
contamination of local wells; the Blackite site, an old gravel quarry subsequently filled with CL&P coal ash from Devon Station in the 1950's, has no known environmental issues and has been successfully used for the City of Milford's Housatonic Wastewater Treatment Plant, which plant was sited on property taken from the same contiguous coal ash filled parcel in a friendly condemnation in the 1980's.

Blackite has no desire to forestall selection of an appropriate site for the East Devon Substation, however, if there is an equitable opportunity to satisfy the interested parties in a manner consistent with the needs of the Applicant, then it is in all our best interests to pursue the same. Mr. Roger Zaklukiewicz, in the previously referenced response of the Applicant, apparently indicates that CL&P has yet to perform either a Phase I or Phase II site assessment of the Jordan Realty site, and Mr. Jim Beard, for Jordan Realty, has indicated that no such permission for access or sale of such site will be forthcoming. In contrast, not only is the 1183/1231 Oronoque Road, Milford, Connecticut site suitable in location and size, but it also has the willingness of ourselves, the seller, to pursue acquisition by CL&P.

We look forward to future discussion on this matter, and, as is customary in real estate transactions due to the inherent unforeseen risk to the seller, would require an agreement, with contingencies, for the acquisition of such site, prior to any more invasive site examination and due diligence than the Phase I site assessment previously discussed.

Thank you for your attention to this matter.

Sincerely,



Roderick C. McNeil

Cc: Brian T. Henebry, Carmody & Torrance LLP
Julie Donaldson Kohler, Hurwitz, Sagarin & Slossberg LLC

August 28, 2003

DEP Commissioner Calls for Environmental Investigations at Four Milford Companies

Latest Test Results Released

The Department of Environmental Protection (DEP) today issued orders to four Milford businesses requiring them to initiate environmental investigations on their sites. In addition, the DEP released the latest results from drinking water well samples collected in the vicinity of the Milford Power Company on Shelland Street.

DEP Commissioner Arthur J. Rocque, Jr. has issued pollution abatement orders to: Milford Power Company; Northeast Electronics Corporation; Jordan Realty; and BIC Corporation. These entities are in close proximity to the Milford Power Company site as well as the wells that have been contaminated. The orders require the four companies to:

- Hire a qualified environmental consultant in 7 days from issuance of the order;
- Submit a scope of study for DEP approval within 15 days from issuance of the order to investigate the soil, ground water, and surface water contamination on the site;
- Conduct the environmental investigation once the scope is approved by the DEP; and
- Prepare a plan and remediate the site if the investigations warrant it.

The DEP also released the latest results from samples collected this past week from drinking water wells in the vicinity of the Milford Power Company. The DEP has collected samples from 18 wells since August 20, 2003. The results are as follows:

- No benzene or benzene compounds have been found in any of the well-water samples;
- 14 wells showed no TCE (trichloroethylene) contamination;
- TCE has been found in **two private residential wells – one previously reported and another reported today**. Also, TCE has been found in samples collected from two wells that service local businesses – previously reported; and
- Traces of other chemical compounds have been found in five other wells and these levels are well below health action levels for drinking water. For instance, chloroform has been found in one well at a level 1/10th the health standard and MTBE (a gasoline additive) at 5% of the health standard.

"Based on the information we have available to us at this point, including the distance the contaminated wells are from the power company site and hydrology of the area, there is a likely possibility that there is another source of contamination in the area," said DEP Commissioner Rocque. "In order to further explore this possibility and pinpoint the source or sources of contamination, I have ordered the businesses in close proximity to these contaminated wells to perform an environmental investigation and remediate their sites as necessary. Due to the interest in getting some answers quickly and moving forward with a remedy, I have put tight timeframes in the orders requesting information on the environmental condition of the sites and an outline of solutions."

Earlier this week, the DEP provided bottled water to residences where drinking water well samples were collected. The DEP will continue to provide bottled water to the two private residences where TCE has been found in their drinking water. Efforts are also underway to connect both residences to public water. In an effort to keep residents informed, the DEP is in the process of mailing all of the test results to homeowners with an explanation of the findings.

The DEP is also expanding its sampling program to include those drinking water wells within a one-mile radius of the Milford Power Company site (approximately 50 wells). The DEP will provide bottled water to all of the residents whose wells currently supply drinking water while they await test results. Upon receipt of those results, the DEP will determine if more permanent water supply arrangements are needed.

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