



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

Rosemary Booth Gallogly, Director
One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-2280
Fax: (401) 222-6436

June 7, 2010

Stephen D. Galowitz, Managing Director
Ridgewood Renewal Power, LLC
947 Linwood Avenue
Ridgewood, NJ 07450

Richard A. Licht, Esq.
Adler Pollock & Sheehan
One Citizens Plaza, 8th Floor
Providence, RI 02903-1345

RE: S2842 Substitute A as Amended –Ridgewood Questions

Dear Attorney Licht & Director Galowitz:

In accordance with my responsibilities as stated in S2842 Sub A as Amended I have enclosed a list of questions related to the Ridgewood project. As you know, the Director of the Department of Administration can provide a certification or decline certification that the contractual terms of the power purchase agreement are reasonable and in the best interest of the State.

In order to make an informed decision, I would appreciate Ridgewood's response to the attached questions.

Sincerely,

Rosemary Booth Gallogly
Director

RBG/co

cc: Keith Stokes
Thomas Ahern
Kenneth Payne

Attachment

Ridgewood Questions from Director of Administration

1. Provide evidence that all the findings provided in Section I of S2482 SubA as Amended have been executed. [If necessary provide summary and reference specific sections documents submitted].
2. Please explain why you feel the contract between Ridgewood and National Grid is in the best interest of the State.
3. Please explain the reasons for the legislation (S2482 SubA as amended) which modified the regulatory process to allow for an expedited process.
4. Please provide history of the National Grid contract, the need for it, and its purpose. Please also provide the history, purpose and the date of execution of the contract between Resource Recovery Corp and Ridgewood. Please provide a copy of both contracts and all amendments.
5. What were all the financing sources and uses for the capital project at the time Ridgewood first entered into the contract with Resource Recovery Corp? Please explain why Ridgewood did not proceed with the PUC regulatory process at the time the RRC contract was first signed? Please indicate specifically if Federal tax credits were anticipated at that time. Please provide a pro forma of revenues and expenses for the facility which were expected when the RRC contract was first executed.
6. Please provide the sources and uses of the capital project as you now plan to implement it. Please provide a pro forma of revenues and expenses for the facility.
7. How much do you anticipate the Federal tax credits to be worth? What is the process/timing for receiving the Federal tax credits?
8. Please document the change in project funding sources and uses as it was originally anticipated and as contemplated now. Please specifically show who receives the benefit of the Federal Tax credits authorized by the ARRA legislation, enacted by Congress in 2009. Identify how the new Federal tax credit benefit the cash flows of the project:
 - 1) reductions in fees received from National Grid over time;
 - 2) increased costs of construction;
 - 3) aid to Johnston;
 - 4) higher profits for Ridgewood; or
 - 5) other [(please specify)].
9. What is the estimated present value of the long term contract with National Grid?
10. Please describe the projected aid to the Town of Johnston, the terms, and documentation of any agreements. Are you aware if the Resource Recovery is obligated in any way to pay additional aid to Johnston as a result of this project?
11. Provide evidence that all local permits associated with the siting or operation of the facility have been obtained or are likely to be obtained.
12. What is the price commitment (all in) by year contained in the National Grid contract?
13. Provide comparable methane pricing for long term contracts like the National Grid contract. Please explain any reasons your feel contribute to variances in pricing by region.
14. Please mark data as confidential which you feel is confidential financial information.