

Specializing in High-Voltage Direct Current Transmission Systems



October 1st, 2003

Upper Delaware Council  
Post Office Box 192,  
Narrowsburg, New York  
12764

Attention: William E. Douglass, *Executive Director*

Re: High Voltage Direct Current Transmission Project Traversing  
The Upper Delaware Scenic and Recreational River Corridor

Dear Sir,

As you are aware, PEGASUS POWER SYSTEMS is actively investigating the possibility of constructing a new high-voltage direct current system using right-of-way that traverse the Upper Delaware River Valley. At this point, our investigations are preliminary; however it would seem this route is ideal as a utility corridor connecting the electrical infrastructure in upstate New York, Ontario and Quebec, with "load centers" in northeastern New Jersey and New York City.

We have prepared a press release which will describe this initiative in greater detail, as well as the general circumstances surrounding this project. This press release will be transmitted to you under a separate cover. Please feel free to forward the press release to anyone you feel might have an interest in this project.

During discussions with you last week, and with Dave Forney from the National Park Service, we have become sensitized to environmental concerns. From our prospective, the primary concerns relate to the visibility of the transmission system. This is not to say that other concerns relating to health & safety and environmental issues in general are not relevant.

To confirm what I expressed during our conversation last week, we pledge the following:

1. We believe this project is not viable using overhead transmission lines and towers for the portion crossing the Upper Delaware Scenic and Recreational River Corridor. Accordingly, we do not plan to design, promote or propose electrical circuit(s) that will be hung off towers. Rather, we propose to bury the cables underground, for the entire 73.4 mile portion.
2. We will consult with the Upper Delaware Council, the National Park Service and other interested parties in advance of making formal applications to construct the system. We believe we can satisfy environmental and other concerns relating to this project.
3. We will share information on a timely basis with all interested parties, including the results of technical and environmental impact studies, which will be made public. Within this context, we are extremely well informed about high-voltage direct-current transmission systems and in a position to answer most, if not all, questions that you might have.



Mr. William E. Douglass, Executive Director  
Upper Delaware Council, Narrowsburg, New York 12764  
Wednesday, October 1<sup>st</sup>, 2003

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We trust this meets with your satisfaction and look forward to working with you and the other members of the Upper Delaware Council.

Yours truly,

**PEGASUS POWER SYSTEMS INC.**

A handwritten signature in black ink, appearing to read 'R. Muddiman', with a long horizontal flourish extending to the right.

Richard A. Muddiman  
President

*Direct Dial: (519) 542-8414*  
*ram/mr:*

*cc: David C. Forney, National Park Service*