OFFICE OF ENERGY PROJECTS

Project Nos. P-10676-018 -- Red Bridge
             P-10677-015 -- Putts Bridge
             P-10678-018 -- Indian Orchard

NAEA Energy Massachusetts, LLC

c/o Industry Funds Management Times Square Tower
Attn: Mr. Kim Marsili
7 Times Square 25th Floor
New York, NY 10036

Subject: Recreational facility maintenance

Dear Mr. Marsili:

This is in response to your letter filed with the Federal Energy Regulatory
Commission on March 17, 2011 providing information regarding recreation access at the
above referenced projects. By letter dated October 19, 2010, we requested specific
information concerning recreational access as a result of environmental inspections of the
projects. During the inspections, it was determined that certain lands where the project’s
recreational facilities were located, were either sold or transferred and that the
maintenance and operation of certain facilities were no longer performed by the
exempee.

Standard article 2 of the Order Issuing Exemptions for the Red Bridge, Putts
Bridge and Indian Orchard projects issued on September 11, 1992 requires the exemptee
to comply with the mandatory terms and conditions provided by state and federal resource
agencies. By letters dated July 31, 1992 and October 20, 1989 the US Department of the
Interior (USDOI) and the Massachusetts Division of Fisheries and Wildlife (MADFW)
provided conditions for the exemptions. Specifically, the agencies’ letters required the
installation, operation and maintenance of the following recreational facilities:

1) Red Bridge Project (P-10676) -- a parking area and car-top boat access to
provide angler access near the powerhouse with signs;
2) Putts Bridge (P-10677) — a parking area and small boat dock to provide angler access to the impoundment with signs (the environmental inspection report noted a missing picnic area, but no such facility is required at this project); and

3) Indian Orchard (P-10678) — informal boat access area upstream of the dam with launching and dock facilities, and a foot path along the south shore of the impoundment with picnic tables and signs leading to the area known as Indian Leap. It should be noted that by Commission letter dated July 15, 1999 the relocation of the picnic tables to the area near the boat ramp and removal of the boat dock was found be acceptable.

In your March 17 letter, you state that NAEA owns the lands occupied by the public access facilities at the Putts Bridge Project and maintains these facilities. You added that the existing signage at the Putts Bridge facility will be replaced and the facility will be repaired as needed. You also state that the lands occupied by the facilities at the Red Bridge and Indian Orchard Projects were previously transferred to the Commonwealth of Massachusetts and the City of Springfield, respectively, and that these entities operate and maintain these facilities. You are reminded that, as the exemptee for these projects, you are ultimately responsible for compliance with the exemption order requirements. In this regard, you must ensure that the public access facilities required by the terms and conditions are properly maintained and available for public use, regardless of any arrangements you have made with other entities to provide such facilities.

In conclusion, your March 2011 response adequately addresses the issues we raised in our October letter and completes our review and inspection process. Thank you for your cooperation and if you have any questions regarding this letter, please contact Mr. Joseph Enrico at (212) 273-5917.

Sincerely,

[Signature]

Thomas J. Lovullo
Aquatic Resources Branch
Division of Hydropower Administration and Compliance