



Renewco-Meadow Branch LLC

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D. J. ELLIOTT

Filed Electronically; Original Hand Delivered

Hon. Mary W. Freeman, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: Renewco-Meadow Branch, LLC (Docket No. 10-00195)

Dear Chairman Freeman:

On behalf of Renewco-Meadow Branch, LLC ("Renewco"), I want to express my appreciation for the support and assistance of the TRA staff and Directors in consideration of the Certificate Of Public Convenience and Necessity (CCN) for the pipeline construction to connect our Meadow Branch Renewable Landfill Gas project to Spectra Energy's East Tennessee Natural Gas pipeline. We also appreciate the extraordinary time and effort spent assisting Renewco in obtaining a waiver to utilize Fiberspar GRE pipe.

Prior to obtaining the Fiberspar waiver, we received preliminary indications from a pipeline contractor that the use of Fiberspar would result in significant installation savings, resulting in an overall savings of up to 25% of the total pipeline costs. Following the entry of the order granting conditional approval of the waiver on December 20, Renewco immediately put the project out to bid, requesting proposals for both the combination of Fiberspar and steel and 100% steel. The bids were received earlier this week and we have now completed our review.

Unexpectedly, the lowest bid assumes all-steel construction. In retrospect, we believe this result was due to several factors: (1) our traditional contractors reduced their margin on steel and increased costs on Fiberspar to discourage the company's use Fiberspar; (2) the Ohio contractor with significant Fiberspar experience ultimately declined to bid because it is not a licensed Tennessee contractor and did not want to pursue licensure for a single job; and (3) the requirement to use steel in Class 3 areas reduced expected benefits.

As a result of the lower bid for steel, and the additional conditions and complexity of using Fiberspar, the anticipated cost advantage is no longer present. In addition, there is still uncertainty around the time necessary to complete regulatory review at the Pipeline and Hazardous Materials Safety Administration ("PHMSA") and, there are risks of delaying the completion of the project beyond the date the process plant will be ready to go on line. Accordingly, we will be constructing our pipeline

using 100% steel pipe and no longer intend to pursue issuance of a special permit from PHMSA. Nonetheless, we are deeply grateful to the TRA for its assistance and efforts in obtaining this waiver, and regret it did not work out as planned.

Renewco would also like to provide notification that it intends to commence pipeline construction by March 4, 2011. As the date approaches and material deliveries are confirmed, Renewco will provide more specific details on the actual construction commencement date.

Renewco is also planning a ribbon cutting for the plant for sometime in August. We will advise of a more specific date over the summer, but needless to say, Renewco welcomes the Directors and members of the staff to join us to celebrate the opening of this Green Energy project.

Sincerely,

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

Ira G. Pearl  
CEO, Renewco, LLC