

August 28, 1997

Mr. Stuart A. Forbes  
POM Energy Concepts  
533 River Road  
Westport, Ma. 02790-5191

Dear Stuart,

Frionor purchased a complete USES System in November 1996. The system consisted of Delta units and a Wye unit for neutral protection. We began using the system on December 1, 1996 and the initial results confirmed by ComElectric depicted a savings of 9% in kWh's and a reduction of KW demand of 140 KW. These results were reported to upper management at Frionor in my internal memo dated December 9, 1996.

During the ensuing nine (9) months, Frionor has continued to see savings of 8% in kWh and KW Demand and an increase from an average power factor of 90.25% in 1996 up to an average 94.6% in 1997. No major electrical incidents, delays in production or destruction to any sensitive equipment have taken place as a result of using this equipment. Our production has remained constant.

Frionor has been very satisfied with the savings and I am confident that we will obtain our ROI as guaranteed in the purchase agreement. We were also very pleased with the degree of knowledge and professionalism, as well as timely follow-up you exhibiting in achieving the desired results on this project.

Sincerely yours,

Donald E Saucier  
Manager of Administration and Maintenance