

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 54.00-00

Third Party Communication: None
Date of Communication: Not Applicable

Town of Portsmouth, Rhode Island
Attn: Robert G. Driscoll, Town Administrator
2200 E Main Road
Portsmouth, RI 02871

Person To Contact:
Zoran Stojanovic, ID No. 50-16936
Telephone Number:
(202) 622-3980
Refer Reply To:
CC:TEGE:EOEG:TEB
PRESP-150113-06

Date: **NOV 13 2006**

Dear Mr. Driscoll:

Pursuant to section 54(f)(2) of the Internal Revenue Code (the "Code") and Notice 2005-98, 2005-52 I.R.B. 1211, and after review of your application submitted on April 26, 2006, including supplements thereto, we have determined that the project described in Appendix A attached hereto is qualified for purposes of section 54 and will be owned by one or more qualified borrowers. We allocate authority to Town of Portsmouth, Rhode Island (the Issuer), a qualified issuer under section 54, to issue up to \$2,600,000 of Clean Renewable Energy Bonds (CREBs). Bonds issued pursuant to this allocation must be designated by the Issuer as bonds for purposes of section 54 for the project described in Appendix A up to the amount allocated for each project described in Appendix A.

Bonds so designated must be issued on or before December 31, 2007. Please be aware that in order for bonds to be CREBs, the applicable requirements of the Code, including without limitation section 54, Notice 2005-98, and Notice 2006-7, 2006-10 I.R.B. 559, must be met. Please note that CREB proceeds may be used to reimburse capital expenditures paid by qualified borrowers for qualified projects only if the provisions of section 54(d)(2)(C) are met.

If you have any questions with respect to this allocation, please contact Mr. Timothy L. Jones or Mr. Zoran Stojanovic of the Office of Division Counsel/Associate Chief Counsel Tax-Exempt and Government Entities on (202) 622-3980 (not a toll-free call).

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

For purposes of the renewable electricity production credit under section 45 of the Code, no inference may be drawn from this allocation that any project listed in Appendix A is a qualified facility or that electricity to be produced at such project(s) is electricity from a qualified energy resource at a qualified facility within the meaning of section 45.

This determination is directed only to the applicant named above. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, filed for bonds issued pursuant to this allocation.

The allocation contained in this letter is based upon information and representations submitted by the applicant for the CREB allocation and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the application for an allocation, it is subject to verification on examination.

Sincerely,
Assistant Chief Counsel, (Exempt
Organizations/Employment Tax/Government
Entities)
(Tax Exempt & Government Entities)



By: Timothy L. Jones
Senior Counsel
Tax-Exempt Bonds Branch

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bcc: Steven Chamberlin
Acting Manager, Tax Exempt Bonds
Compliance & Program Management
SE:T:GE:TEB:CPM
1122 Town & Country Commons
St. Louis, MO 63017

APPENDIX A

	Borrower Name	Project Type	Project Location	Amount Allocated
1	Town of Portsmouth, Rhode Island	Wind facility	RI, Portsmouth (2 locations: 125 Jepsen Lane and 1 Education Lane)	\$2,600,000