Lumsden & McCormick, LLP
Certified Public Accountants

MANAGEMENT LETTER

March 12, 2010

The Board of Directors
Niagara Power Coalition, Inc.
Sanborn, New York

In planning and performing our audit of the financial statements of the Niagara Power Coalition, Inc. (the Coalition) as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Coalition's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to errors or fraud may occur and not be detected by such controls. We considered the following to be a significant deficiency.

Financial accounting and reporting

Management requests that we draft the Coalition's annual financial statements and footnotes. While this is typical of an organization of the Coalition's size, especially in recognition that there is no paid staff, an auditor cannot be part of an organization's internal control. As such, management's need for our assistance results in a significant deficiency in the Coalition's internal control over financial reporting. However, given the Coalition's current structure, it is not practical to expect an implementation strategy that would avoid this comment in future audits.

www.lumsdencpa.com 403 Main St., Suite 430 · Buffalo, New York 14203 716-856-3300 · Fax 716-856-2524

PRIOR YEAR RECOMMENDATION

Bank reconciliations

In prior years we noted that bank reconciliations were not prepared for the Coalition's accounts on a monthly basis. Although there are not a significant number of transactions each month, we believe internal control would be enhanced by the required preparation of monthly bank reconciliations. It would be ideal if the President received the bank statements, reviewed them and turned them over to the Treasurer for preparation of the reconciliations. The President should then review and approve the bank reconciliations.

We have discussed these comments with Coalition personnel, would be pleased to discuss them in further detail, perform any additional studies, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of management and the Coalition's Board. It is not intended to be, and should not be used by anyone other than these specified parties.

Lumsden & McCormick, LLP