

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2007-355

January 9, 2008

CENTRAL MAINE POWER COMPANY AND
MAINE NATURAL GAS CORPORATION
Reorganization/Acquisition of Energy East
Corporation and IBERDROLA, S.A.

STIPULATION

Bangor Gas Company, LLC (“BGC”), Bangor Hydro-Electric Company (“BHE”), Central Maine Power Company (“CMP”), FPL Energy Maine (“FPL”), Friends of the Coast (“FOTC”), IBERDROLA, S.A. (“IBERDROLA”), Independent Energy Producers of Maine (“IEPM”), Industrial Energy Consumer Group (“IECG”), International Brotherhood of Electrical Workers Local #1837 (“IBEW”), Maine Natural Gas Corporation (“MNG”), Maine Public Service Company (“MPS”), and Office of the Public Advocate (“OPA”) (together the “Parties”), hereby agree and stipulate as follows:

I. PURPOSE

The purpose of this Stipulation is to settle all issues in this proceeding, to avoid a hearing on those issues raised in this case and to expedite the consideration and resolution of the proceeding by the Maine Public Utilities Commission (the “Commission”). The provisions agreed to herein have been reached as a result of information gathered through discovery and discussions among the Parties in this case and represent agreement of all the Parties.

II. PROCEDURAL BACKGROUND

Pursuant to 35-A M.R.S.A. § 708, CMP and MNG filed a Petition for Approval of Acquisition of Energy East Corporation (“Energy East”) by IBERDROLA (the “Proposed

Transaction”) on August 1, 2007.¹ The Petition was supported by the Prefiled Testimony of Sara J. Burns, Robert E. Rude and Pedro Azagra Blazquez. The case proceeded to the discovery phase in September 2007. In discovery, the Parties filed responses to more than 300 Data Requests, and CMP, MNG and IBERDROLA produced thousands of pages of documents. On November 6 and 8, 2007, OPA, IECG and FOTC filed the Prefiled Testimony of witnesses Thomas S. Catlin, Dr. Leigh A. Riddick, Dr. Richard H. Silkman and Raymond Shadis. Staff produced its Bench Analysis on November 6, 2007. On December 4, 2007, CMP, MNG and IBERDROLA submitted the Prefiled Rebuttal Testimony of witnesses Sara J. Burns, Robert E. Rude, Pedro Azagra Blazquez and Dr. Kenneth Gordon. The Commission held three Technical Conferences on October 4, 2007, November 28, 2007 and December 10, 2007. In addition, the Commission held a Public Witness Hearing in Brunswick, Maine on November 28, 2007. Having completed substantial discovery and having considered the testimony provided by the witnesses, the Parties entered into settlement discussions and reached the following agreement.

III. RECOMMENDED APPROVALS AND FINDINGS

Based upon the record in this case, the Parties agree and recommend that the Commission conclude this proceeding by issuing an order which approves, accepts and adopts this Stipulation, including the following provisions:

1. The acquisition of Energy East by IBERDROLA as proposed in the Petition is a reorganization of CMP and MNG within the meaning of 35-A M.R.S.A. § 708. More specifically, the proposed acquisition is a “restructuring” of CMP and MNG within the meaning of the Commission’s Order in Docket No. 2001-447, dated December 20, 2001. The acquisition as proposed in the Petition is “consistent with the interests of the utility’s ratepayers and investors” and therefore should be approved by the Commission pursuant to 35-A M.R.S.A. § 708, subject to the conditions set forth below. Except for conditions pursuant to paragraphs 24 through 26; 40 through 47; 50; and 51 through 56, which shall become effective upon Commission approval of this Stipulation, the conditions shall become effective upon consummation of the Proposed Transaction. In the event that the

¹ To the extent necessary, the affiliates of CMP and MNG joined CMP and MNG as Petitioners.

Proposed Transaction is terminated and not consummated, the conditions set forth in paragraphs 51 through 56 shall be void and of no further force or effect as of the date that the Petitioners provide notice of such termination to the Commission.

A. REPORTING COMMITMENTS

2. Books and Records: The Commission will have access, in English and in Maine, to (a) the books/records of CMP and MNG, and (b) any books/records of IBERDROLA or any IBERDROLA affiliates that are related to CMP or MNG. The Commission will have access, in English and in Maine, to any minutes of the IBERDROLA Board of Directors, and any sub-committee thereof, to the extent that such minutes discuss Energy East, CMP or MNG. IBERDROLA also shall translate such other documents as the Commission determines to be reasonably necessary to fulfill its statutory duties.
3. CMP Budgets: CMP agrees to file its annual capital budget and to explain any significant variances from the prior year's budget and spending levels.
4. Audit Reports: The Commission will have access, in English and in Maine, to all internal and external audit reports and recommendations for CMP and MNG, and for any IBERDROLA affiliate with respect to the provision of goods and services for compensation to CMP or MNG.
5. Tax Returns: All tax returns of CMP and MNG, and all consolidated US tax returns that include CMP or MNG, will be provided to the Commission.
6. Management Meetings: IBERDROLA commits to make key decision makers responsible for policy, management and operations at CMP and MNG available to meet with the Commission upon request.
7. SEC Reporting: IBERDROLA's consolidated balance sheets, income statements and cash flow statements will be made available to the Commission, in English and in Maine, on an annual basis and in a format that is mutually agreed to between IBERDROLA and the Commission Staff. Audited financials will be in accordance with International Financial Reporting Standards ("IFRS"), consistent with SEC requirements. Additionally, IBERDROLA agrees to provide specific answers to particular questions raised by the Commission and its Staff with respect to IFRS.
8. Material Adverse Rulings or Decisions: IBERDROLA commits to notify the Commission of any final decision of an administrative agency, court or regulatory authority, notwithstanding any appeal, that finds that IBERDROLA or any IBERDROLA subsidiary has violated a law, rule or regulation that either results in a criminal conviction, or results in a penalty assessed in excess of 5 million Euros per event, and to provide a translation to English of the decision within thirty days following the issuance of such decision.

9. In addition to the above requirements, IBERDROLA also agrees to report to the Commission any final findings or decision by a regulatory agency or court, notwithstanding any appeal, of anti-competitive behavior committed by IBERDROLA in the United States.

B. FINANCIAL PROTECTIONS

1. Credit ratings and transaction cost protections

10. Credit Rating Maintenance: IBERDROLA, Energy East and CMP will maintain credit ratings with at least two generally accepted ratings agencies (e.g., S&P and Moody's).
11. Credit Events: If there is a "Credit Event" (defined as the downgrade of IBERDROLA's, Energy East's or CMP's credit rating below BBB-/Baa3, or credit rating of BBB-/Baa3 with a "Watch Negative", by at least two major credit reporting agencies (e.g., S&P and Moody's)), CMP and MNG will make a timely filing notifying the Commission of any such Credit Event and then periodic filings with the Commission, once every three months, identifying (i) the current credit rating during such Credit Event and (ii) a plan to remedy such Credit Event, until such Credit Event is eliminated.
12. Rating Agency Presentations and Reports: IBERDROLA, Energy East or CMP, as applicable, will provide the Commission on a confidential basis with copies of all slide presentations to credit ratings agencies relating to Energy East, as well as all rating agency reports relating to Energy East or any Energy East subsidiaries, on an on-going basis.
13. Cost of Debt Protections: CMP and MNG ratepayers shall be held harmless for any increase in CMP's cost of debt caused by IBERDROLA's financial status. The Parties agree that, for ratemaking purposes, the Commission may impute a reasonable cost of debt that is based on CMP's stand-alone risk profile.
14. Dividend Policy: CMP and MNG will maintain their respective dividend policies with due regard for the financial performance and needs of CMP and MNG, irrespective of the financial performance and needs of IBERDROLA. IBERDROLA will report to the Commission in the event that the dividend payout for any year is more than 100% of income available for dividends calculated on a two-year rolling (eight calendar quarter) average basis.
15. Acquisition Premium: CMP and MNG will not seek recovery of the acquisition premium being paid by IBERDROLA in the Proposed Transaction, either directly or indirectly, from customers in any proceeding.
16. Transaction Costs: CMP and MNG will not seek recovery in rates of any transaction costs for the Proposed Transaction in any proceeding. Transaction costs includes investment bank fees, legal fees, transfer or other taxes, severance or change of control related payments, incremental costs for stock options and restricted stock and any other costs incurred either to complete or as a result of the Proposed Transaction.

17. EC Tax Matters: CMP and MNG ratepayers shall be held harmless from any negative financial impact to IBERDROLA that may arise from the EC decision regarding Spain's current goodwill tax amortization.

2. Capital Structure/Liquidity

18. Minimum Common Equity Ratio: CMP and MNG will at all times maintain common equity capital at levels equal to or greater than 40% of total adjusted capital (including common equity, preferred equity, long-term debt, short term debt, capitalized leases, Current Maturities of Long-Term Debt (CMLTD) and Current Maturities of Capitalized Long-Term Leases (CMLTL)). No equity distributions, whether by dividend or other form, will be allowed that would result in equity capital falling below the minimum level, without prior approval of the Commission. Notwithstanding the foregoing, CMP and MNG shall maintain the right to petition the Commission for an exception to this condition. One-time events, such as mandated changes in accounting, that temporarily affect equity will be reported to the Commission and excluded from the common equity ratio calculation.
19. Adequate Liquidity: CMP will maintain adequate cash and equivalents and availability in its utility-specific line of credit to meet the anticipated cash requirements of utility operation.
20. Separate Financing: CMP's financing should be issued by the utility entity, and should be used exclusively for utility operations; provided however, that other forms of financing for CMP may be utilized that the Commission determines acceptable.
21. Limitations on Developing New Joint Credit Facilities: CMP will maintain independent and separate credit facilities from that of IBERDROLA or any affiliate. CMP will have separate credit facility solicitation processes and different lead syndication banks for CMP (on the one hand) and IBERDROLA and unregulated affiliates (on the other hand). Notwithstanding the foregoing, to the extent CMP presently maintains joint credit facilities, those existing credit facilities shall remain permissible.
22. Money Pool Participation: CMP and MNG may participate in IBERDROLA money pools provided the other participants in such money pools are limited to regulated utility affiliates of IBERDROLA in the United States unless otherwise authorized by the Commission. IBERDROLA shall not borrow from utility money pools in which CMP or MNG are participants.
23. Bankruptcy Protection: CMP and MNG will be protected from inclusion in any bankruptcy proceeding of IBERDROLA or any affiliate by specific structural and governance provisions. Within three months after the closing of the Proposed Transaction, CMP will submit to the Commission the specific bankruptcy protections that will be put in place to comply with this condition, for Commission review and approval if found in accordance with this provision.

C. ADDITIONAL RATEPAYER VALUE

24. Energy East Acquisition Premium: Except in the context of an earnings sharing provision in accordance with this paragraph, CMP will not continue to seek recovery of the Energy East acquisition premium incurred in acquiring CMP either in Docket No. 2007-215 or in any future Commission proceeding, either directly or through a sharing of merger-related savings, and agrees to modify its position in Docket No. 2007-215 to withdraw its recovery request. The Parties agree that, to the extent Docket No. 2007-215 results in an earnings sharing mechanism for CMP, 50% of the merger savings would be imputed as an O&M expense in quantifying earnings for the purpose of earnings sharing above the bandwidth as established in Docket No. 2007-215. The particular merger savings amount would be calculated at such time as this provision is triggered (e.g., in an ARP-related rate adjustment where earnings sharing above the bandwidth has occurred and is at issue for that rate adjustment.) (Attachment #1 illustrates how the earnings sharing provision would operate.)
25. Advanced Meter Infrastructure: The Parties agree that the question of whether CMP will be permitted to put into rates costs associated with an AMI system will be determined by the Commission in Docket No. 2007-215. In the event that the Commission approves some or all of CMP's AMI proposal, the Parties agree that CMP may recover the reasonable costs on a levelized basis, exclusive of any carrying costs associated with the levelized approach. (Attachment #2 provides an illustration of this approach and reflects CMP's current estimate of the net cost of the proposed AMI system.) The initial costs and savings to implement this program shall be determined by the Commission in Docket No. 2007-215. In any post-Docket 2007-215 rate proceeding for CMP, the difference between the actual AMI revenue requirement and the unlevelized AMI revenue requirement used in Docket 2007-215 (positive or negative) may be prospectively reflected in CMP's revenue requirement, while leaving the levelized amount approved in Docket No. 2007-215 unchanged. (Attachment #3 provides an illustration of the potential difference in the revenue requirement for CMP's AMI proposal).
26. Demand Response Program: To the extent consistent with any AMI system approved by the Commission in Docket No. 2007-215, CMP agrees to work with Staff and all interested parties to develop and implement (or accommodate implementation by market participants) one or more voluntary price-based customer demand response programs to take full advantage of the benefits of the AMI technology, including at least one program for residential and small commercial customers. Also to the extent consistent with the Commission order in Docket No. 2007-215, CMP further agrees to propose for Commission approval on a timely basis any rate design or other changes necessary to implement such program(s).
27. Future Synergistic Savings: To the extent that future synergistic or other cost savings do arise from IBERDROLA's acquisition of Energy East, those savings attributable or allocable to Maine will be considered prospectively in future proceedings when setting rates for CMP and MNG.

D. AFFILIATE TRANSACTIONS

28. Affiliate Transaction Approval: As required by and in accordance with 35-A M.R.S.A. § 707, CMP and MNG commit to seek approval of the Commission of any affiliate transaction as defined under and required by Maine law. All affiliate transactions which affect CMP or MNG books of account shall be recorded in U.S. dollar terms.
29. Affiliate Transaction Jurisdiction: IBERDROLA and any of its affiliates, to the extent their activities relate to or in any way impact the operations, costs or revenues of CMP or MNG in Maine, shall be subject to the Commission's jurisdiction for discovery purposes and will participate as a party in any proceeding when deemed necessary by the Commission, in its sole discretion.
30. Cost Allocations: CMP and MNG commit to continue to utilize Energy East's cost allocation methodologies and Energy East will allocate centralized costs from IBERDROLA to CMP or MNG only to the extent that such costs are properly chargeable to utility operations and accepted by the Commission. Costs charged by IBERDROLA or its affiliate to Energy East and any of its United States affiliates that either directly or indirectly affect CMP or MNG's costs of service, shall be based on Energy East's approved cost allocation methodology, unless otherwise permitted by the Commission. Any increases in costs allocated to CMP will be filed with the Commission in accordance with the Orders in Docket No. 2001-178 and Docket No. 2004-435.
31. Support Costs: IBERDROLA, Energy East, CMP and MNG agree that CMP and MNG's support costs (i.e., costs currently allocated from affiliates, or that in the future may be allocated from affiliates), adjusted as appropriate for inflation, customer growth and any future regulatory mandates, will not increase as a result of any affiliate transaction (i) between CMP or MNG and IBERDROLA or its affiliates or (ii) between Energy East or its affiliates and IBERDROLA and its affiliates, without the prior approval of the Commission.
32. Separate Accounting and Financial Statements: CMP and MNG will maintain separate and independent accounting records and financial statements from that of IBERDROLA and all affiliates.
33. Limitations on Cash Management: CMP's and MNG's existing shared services cash management systems will not be expanded to include unregulated affiliates.
34. Asset Transfers: CMP and MNG will not transfer or sell material assets or facilities to IBERDROLA or any affiliate without prior approval of the Commission. All asset sales to these entities will be on an arms-length basis, and be subject to market vs. book value tests.
35. No Lending: CMP and MNG will not loan funds to IBERDROLA or any unregulated affiliate.

36. No Credit Support: CMP and MNG will not provide guarantees, collateral, or pledge or provide any other type of credit support for the benefit of IBERDROLA or any affiliate.
37. Contractual Agreements: CMP will not enter into any contractual agreements or business relationships with IBERDROLA or any affiliate that would cause a reduction in the credit standing of CMP.

E. CORPORATE GOVERNANCE

38. Restructuring Approvals: The Commission's December 20, 2001 Order in Docket No. 2001-447 should be interpreted to require that any restructuring of IBERDROLA, the new ultimate parent of CMP and MNG, or any direct or indirect parent entity of Energy East shall require Commission approval pursuant to the requirements of 35-A M.R.S.A. § 708 to the same extent restructurings of Energy East currently require approval under that Order.

39. Change in Corporate Governance Reporting: Energy East, CMP and MNG agree to file reports with the Commission that identify changes in:

- Energy East officers and directors;
- CMP and MNG officers and directors; and
- Changes in corporate governance and structure of CMP, MNG or Energy East.

For the first two years after the effective date of the Proposed Transaction, these reports will be submitted at least semi-annually, with annual reporting continuing for an additional three years thereafter.

F. SERVICE QUALITY COMMITMENTS

1. CMP

40. CMP agrees to maintain and provide the information listed below on a quarterly basis, and agrees to report on the service quality metrics proposed in Docket No. 2007-215 by Staff and listed in Attachment #4). CMP agrees, further, that these service quality metrics should be used as performance metrics, and that applicable benchmarks shall be established in Docket No. 2007-215, and will apply whether or not an ARP is established in that proceeding. If an ARP is not adopted in Docket No. 2007-215, the Parties agree that any revenue adjustment(s) or other consequences for exceeding, or failing to meet, these benchmarks will be established by the Commission in subsequent proceedings.
- a. O&M activities: CMP will provide, on an annual basis, the total number of hours spent on operation and maintenance (O&M) activities each year broken down between distribution and transmission.

- b. O&M Procedures: CMP will provide an electronic version of its O&M practices & procedures and will notify Staff of any changes in those procedures by providing a revised electronic version with changes in red-line format.
- c. Record Retention: CMP will retain all operation and maintenance (O&M) service orders, expenditures, labor hours and safety records for a period of time to be no less than 5 years.
- d. Facility Damage Due to Utility Error: CMP will report monthly on the number of damages due to mis-marked or improperly unmarked underground facility locations and self-inflicted hits to its facilities.
- e. Underground Facility Damage Prevention Incidents: CMP agrees to provide reports that will allow Staff to review its underground facility damage prevention incident status.
- f. Changes in Technical Operations Staffing Levels: CMP will notify the Commission in its quarterly report of any material changes in technical staffing in its safety compliance or facility operation and maintenance areas, which report shall include an explanation of the nature of and reason for the change.

2. MNG

41. MNG agrees to provide the following reports and information:
- a. Leak & Odor Call Response: MNG will report its Leak & Odor call response times to Staff on a quarterly basis, which shall include the % of calls answered within 30 minutes and % of calls answered within 60 minutes. MNG shall include in its quarterly report a written explanation for any response that exceeds 60 minutes.
 - b. Operation & Maintenance Hours: MNG will provide the total number of hours spent on operation and maintenance (O&M) activities each year.
 - c. Maintain Current Critical Valves: MNG will keep all existing valves now identified as “critical valves” in that classification and promptly notify Staff if MNG changes its critical valve classification parameters or designations.
 - d. Facility Damage Due to Utility Error: MNG will report monthly on the number of damages due to mis-marked or improperly unmarked underground facility locations and self-inflicted hits to its facilities.
 - e. Accessible Local Records: MNG will make compliance records available to Staff either locally or through an acceptable electronic format.
 - f. O&M Procedures: MNG will provide an electronic version of its O&M procedures and will notify Staff of changes in those procedures by providing a revised electronic version with changes in red-line format.

- g. Submit a Monthly Leak and Odorant Report: MNG will continue to submit the monthly odorant report to Staff as it does now. In addition, leaks found and leaks repaired should be reported monthly.
 - h. Periodic Inspection at the Work Site of All Outside Contractors: MNG will inspect outside contractors' work in accordance with applicable federal safety codes. MNG will keep a record of these inspections on file for Staff review.
 - i. Changes in Technical Operations Staffing Levels: MNG will notify Staff of any changes in its level of staffing in its safety compliance or facility maintenance areas. In lieu of prescribed restrictions on MNG's ability to modify or reduce technical staffing levels, MNG will notify the Commission in a quarterly report of any technical staffing changes with an explanation of the nature of and reason for the change.
 - j. Underground Facility Damage Prevention Incidents: MNG agrees to provide reports that will allow Staff to review its underground facility damage prevention incident status. MNG agrees to set a goal of sustaining 3 or fewer damage incidents (as defined in Ch. 895) each year, whether the result of excavator or utility error. This benchmark is greater than MNG's historic average of damage prevention incidents. Currently MNG does not contract out its damage prevention locating and marking.
 - k. Notification of Construction Plans: MNG shall notify the Commission on a weekly basis (each Friday) of all anticipated construction projects for the following week that involve gas line additions, repairs and modifications. Recognizing, however, that MNG's construction schedule is subject to modification on a daily basis to maintain safe and reliable service, MNG shall use best efforts to keep the Commission informed of all material modifications to gas line construction job schedules.
42. Nothing in the provisions of this Stipulation shall be deemed to limit the Commission's authority to require CMP or MNG to provide information regarding their provision of safe, adequate and reliable service or to penalize CMP or MNG for service that is found, after appropriate proceedings, to be inadequate. The Parties further agree that the metrics set by this Stipulation do not define CMP's or MNG's service-related obligations in totality, and that the Commission may initiate service-related proceedings and impose additional standards or requirements pursuant to the Commission's obligation to ensure safe, adequate and reliable service.

G. ADDITIONAL CONDITIONS

1. ISO-New England Participation; Transmission

43. ISO-NE Termination/Extension:

- a. The Parties agree that the Commission's evaluation of the continued participation of Maine utilities in ISO-NE has demonstrated that certain current policies of ISO-NE are highly detrimental to Maine consumers. For example, the Parties agree that the existing transmission cost allocation methodology employed in ISO-NE is inequitable as applied

to Maine ratepayers and must be modified to ensure that the interests of Maine ratepayers are protected. The Parties agree that options for Maine include the reformation of those policies and a reconsideration of Maine utility membership in ISO-NE.

b. Pending the initiation and resolution of a proceeding as described below, and any legislative approval or review to the extent necessary, which may occur in 2008 or 2009, IBERDROLA, Energy East and CMP agree to take no action with regard to CMP's position in any RTO, including whether to extend, consent to, amend, or renew or otherwise modify the terms of the Transmission Owners Agreement without explicit Commission approval. The Parties agree, and the Commission, by approval of this Stipulation agrees, that within 60 and not more than 90 days following receipt of Commission approval of this Stipulation, CMP will initiate and the Commission will conduct a proceeding to determine, subject to any applicable legislative approval or review, as may be necessary, if extension or renewal of the Transmission Owners Agreement is in the public interest. The utility shall bear the burden of proof in the proceeding. The Parties agree to proceed so that the Commission will be in a position to issue a final order no later than January 14, 2009 and, by approving this Stipulation, the Commission agrees that the target date for issuance of such final order shall be January 14, 2009. Upon issuance of a Commission order, and subject to any applicable legislative approval or review, as may be necessary, as described above, CMP will act in accordance with that order. CMP will not assert or seek federal preemption, such as FERC authority, to frustrate the Commission's action or subsequent order. Notwithstanding the provisions of the Constitution of the State of Maine, Article 4, Pt. 3, Section 16, pertaining to the effective date of legislative action, legislative approval or review by the 124th Maine Legislature of any Commission action pursuant to this section shall be considered by the Parties to be effective not later than the date the first Regular Session of the 124th Maine Legislature adjourns, *sine die*.

c. No party waives its right to appeal any such order, but CMP, IBERDROLA and any of its affiliates agree that (1) they will not appeal the Commission order on the basis that the Commission lacks the jurisdiction to issue its order or that the Commission lacks the authority to issue or enforce its order, including but not limited to, that the Commission is preempted by federal law from issuing or enforcing its order, and (2) pending the resolution of any such appeal, they will not seek to stay the effect of any such order and will take all steps required to effectuate the same, until and unless such order is overturned or modified by a court or body of competent jurisdiction. The Parties agree that any and all prudent costs that are incurred by CMP as a result of acting in accordance with the determinations of the Commission or the requirements of paragraphs 43 and 45 are recoverable pursuant to applicable rate-making standards, with the exception of those litigation costs incurred by CMP in the regulatory proceeding contemplated by paragraph 43(b) and any appeal challenging the Commission's order set forth in paragraph 43(b).

d. Notwithstanding the requirements noted above, it is not the Parties' intent to materially alter the terms and conditions of the Continuing Site/Interconnection Agreement dated January 6, 1998, as amended, and the Settlement and Release Agreement dated June 1, 2003 each by and between CMP and FPL Energy Maine, Inc. or

the contractual rights and obligations of the parties under those agreements. In complying with its obligations under this paragraph, including compliance with any final action or order of the Commission in the preceding paragraphs described above, CMP will comply to the greatest extent possible with the material terms of the Continuing Site/Interconnection Agreement dated January 6, 1998, as amended, and the Settlement and Release Agreement dated June 1, 2003 each by and between CMP and FPL Energy Maine, Inc. and the contractual rights and obligations of the parties under those agreements, consistent with the terms of the Order which results from the proceeding referenced in paragraph 43(b).

44. Review of RTO Actions: CMP, Energy East and IBERDROLA consent to Commission oversight of actions taken by CMP relative to NEPOOL, ISO-NE and related regional transmission organization matters affecting the State of Maine to (1) determine whether CMP's actions are in accord with the public interest and (2) order appropriate remedies if CMP's actions result in a material adverse impact to CMP's customers. Furthermore, CMP and IBERDROLA agree that CMP will retain its current transmission sector voting status relative to NEPOOL, ISO-NE and related regional transmission organization matters.
45. Transmission Investment: IBERDROLA and CMP agree that neither CMP nor any other affiliate of IBERDROLA will undertake any major upgrade to existing transmission infrastructure, or construction, management, ownership or operation of new transmission infrastructure in the State of Maine at or above 69kV in voltage or utilizing direct current without Commission approval. Major upgrade shall include extensive infrastructure replacement, for example to a new type of construction, design or voltage level, and shall not include routine maintenance. CMP agrees to include all projects at or above 69kV in voltage or that utilize direct current in its annual filing of transmission line project rebuilds or relocates pursuant to 35-A M.R.S.A. § 3132, and that, in conjunction with its annual filing, CMP will provide a presentation to the parties and the Commission regarding the projects included in the plan. The Parties agree that determination of whether any particular project or set of projects constitutes a major upgrade shall be made by the Commission.

2. Maine Yankee Atomic Power Company

46. Oversight Funding: CMP agrees to advocate the continuation of the existing (2007) levels of funding of state oversight of the Maine Yankee Atomic Power Company ("Maine Yankee") site (either on its own, or by exercise of its 38% interest in Maine Yankee) until such time as such oversight is determined to be no longer required.
47. Security Grant Funding: CMP agrees to exercise its 38% voting interest in Maine Yankee in support of the pending Lincoln County application for a federal grant to acquire 24 hour surveillance equipment for the perimeter area of the Maine Yankee site, to the extent consistent with existing state and federal laws. In the event the Lincoln County federal grant application is not successful, CMP shall propose to Maine Yankee (consistent with CMP's 38% interest in Maine Yankee) that Maine Yankee pursue alternate sources of funding to Lincoln County for the surveillance equipment.

48. Safety and Security Report: CMP shall propose to Maine Yankee (consistent with CMP's 38% interest in Maine Yankee) that Maine Yankee utilize a team of people from IBERDROLA that are expert in nuclear security matters to conduct a peer review of Maine Yankee spent nuclear fuel safeguards and security and issue a report on nuclear safeguards and security matters, including standards that are consistent with those standards and best practices with which IBERDROLA has experience at other nuclear facilities, to the extent that such efforts are consistent with existing laws in the United States and Spain and existing Maine Yankee and IBERDROLA contractual arrangements. To the extent that IBERDROLA is not permitted to work on or issue such a report for any reason, or to the extent that any such report finds that the existing security is insufficient, then CMP shall propose to Maine Yankee (consistent with its 38% interest) that a third party (recommended by the Nuclear Regulatory Commission, to the extent applicable) be retained to undertake a separate report on such security matters, to the extent consistent with all existing laws, and consistent with Maine Yankee contractual arrangements. A public (non-safeguards) version of any such report(s) described herein will be made available to interested parties, to the extent such disclosure is permissible under existing laws.
49. IBERDROLA/FOTC Meetings: IBERDROLA agrees to convene a meeting, once per year, with Friends of the Coast ("FOTC") or its designee on nuclear safety and other nuclear matters related to the Maine Yankee facility, including technological developments, trends and security issues, to the extent permissible under existing laws in the United States and Spain, and to the extent consistent with existing Maine Yankee contractual arrangements.
50. CMP/FOTC Communications: FOTC will designate an individual to communicate with CMP to express the concerns of Maine citizens with respect to nuclear operations in Maine, by Maine Yankee. CMP shall designate an individual that shall be available and accessible to the FOTC individual no less than four times per year for five consecutive years to discuss matters relating to Maine Yankee, to the extent permissible under existing laws and existing Maine Yankee contractual arrangements. The term of this relationship shall be renegotiated at the end of five years.

3. Competitive Parity for Generation

51. IBERDROLA, Energy East, MNG and CMP (collectively the "Applicants") agree that, for a 7-year period beginning on the date of the Commission's approval of the proposed sale and reorganization, the Applicants and their affiliates will not propose or advocate to change existing Maine law that prohibits the ownership or control of, or financial interest in, generation directly by CMP.
52. To the extent legislation is introduced by others, the Applicants will advocate for "competitive parity" in the context of consideration by the Maine Legislature of any change in law that would (1) have the effect of authorizing Maine T&D utilities to directly own, control or have a financial interest in generation assets, or (2) involve generation ownership, control or a financial interest directly by a T&D utility affiliate. Competitive parity would require that if a T&D utility or its affiliate is authorized to

directly own, control or have a financial interest in generation on a merchant or “cost of service” basis, that basis will be equivalently available to all potential market participants, such as through RFPs or some similar competitive process conducted by an independent agency such as the Commission. Further, the Applicants will oppose any proposals or processes that do not allow for such competitive parity.

53. In the event Maine law changes to authorize, but does not require, a T&D utility to directly own, control or have a financial interest in generation assets, CMP will only utilize such authorization (1) on a basis that allows for competitive parity, and (2) if permitted by the Commission pursuant to this paragraph 53. Under no circumstance shall CMP be allowed to directly own, control or have a financial interest in a generating asset unless and until it obtains any other relevant authorizations from the Commission (including a certificate of public convenience and necessity, as applicable).
54. In the event that Maine law changes to allow CMP to own, control, or have a financial interest in generation directly as a T&D utility owner, CMP agrees to implement structural separations and standards of conduct that would prevent its generation interest from having a competitive advantage over other potential market participants. The separations and standards will be subject to approval by FERC and the Commission.
55. The utility ownership provisions of paragraph 53 in this section will not apply if Maine law changes to permit utility ownership in the context of legislative changes that substantially alter Maine’s position within the New England RTO or wholesale market, such as by formation of a Maine ITC or Maine/New Brunswick common market and the Commission or the Legislature finds that utility ownership in a form that is inconsistent with the provisions of paragraph 53 is in the public interest as part of implementing the new RTO model.
56. Chapter 304 Applicability: IBERDROLA, and CMP agree that the requirements of Chapter 304 of the Commission’s Rules will be deemed to apply to all transactions and relationships between CMP and any affiliate providing generation services in Maine.

4. General Conditions

57. Energy East Merger Order Conditions: IBERDROLA agrees that Energy East shall remain bound by all conditions in the Energy East/CMP Merger Order in Docket No. 99-411 to the extent applicable.
58. Divestiture: The Parties agree that the provisions of Section 708 authorize the Commission to order reasonable remedial measures including divestiture of CMP and MNG, provided such divestiture is found, after appropriate notice and opportunity for hearing, necessary to protect the interests of the utility, ratepayers or investors.
59. Efficiency Maine: IBERDROLA and CMP support energy efficiency and, as such, agree not to oppose increases to amounts collected from CMP’s ratepayers in their distribution rates for the Efficiency Maine program that may be considered by the Legislature for at

least the next five years or in the context of 35-A M.R.S.A. § 3211-A, sub-4-A, including recent changes enacted in the context of P.L. 2007, Chapter 317.

60. Nothing in this Stipulation shall be construed to limit in any manner the Commission's jurisdiction over rates, affiliate transactions, or access to records or any other area which relates to CMP and MNG's provision of safe, adequate and reliable service as provided for in Title 35-A or any other applicable provision of Maine law, nor shall anything in this Stipulation be construed to require any Party to act in violation of any law.

IV. PROCEDURAL STIPULATIONS

61. Staff Presentation of Stipulation: The Parties hereby waive any rights that they have under 5 M.R.S.A. § 9062(4) and Section 752 of the Commission Rules of Practice and Procedure to the extent necessary to permit the Advisory Staff to discuss this Stipulation and the resolution of this case with the Commissioners at the Commission's scheduled deliberations, without providing to the Parties an Examiners Report or the opportunity to file Exceptions.
62. Record: The record on which the Parties enter into this Stipulation and on which the Commission may base its determination whether to accept and approve this Stipulation shall consist of (a) this Stipulation; (b) all prefiled testimony and exhibits; (c) all documents and information provided in responses to written or oral data requests; and (d) the transcripts of the Public Witness Hearing and all Technical Conferences, exhibits identified therein, and any other material furnished by the Advisory Staff to the Commission, either orally or in writing, to assist the Commission in deciding whether to accept and approve this Stipulation.
63. Non-Precedential Effect: Except as expressly provided for by the terms herein, this Stipulation shall not be considered legal precedent nor preclude a party from making any contention or exercising any rights, including the right of appeal, in any future Commission investigation or proceeding or any other trial or action.
64. Stipulation as Integrated Document: This Stipulation represents the full agreement between the Parties to the Stipulation and rejection of any part of this Stipulation constitutes a rejection of the whole.
65. Incorporation of Attachments: All attachments referred to in this Stipulation are incorporated herein by reference and are intended to be considered as part of this Stipulation as if their terms were fully set forth in the body of this Stipulation.
66. Void if Rejected: If not accepted by the Commission in accordance with the provisions hereof, this Stipulation shall be void and of no further effect and shall not prejudice any position taken by any party before the Commission in this proceeding and shall not be admissible evidence therein or in any other proceeding before the Commission.

Respectfully submitted this 9th day of January, 2008.

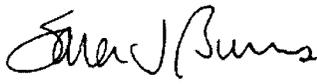
Bangor Gas Company, LLC

By: _____

Bangor Hydro-Electric Company

By: _____

Central Maine Power Company

By: 
Sara J. Burns, President & CEO

FPL Energy Maine

By: _____

Friends of the Coast

By: _____

IBERDROLA, S.A.

By: _____

Independent Energy Producers of Maine

By: _____

Respectfully submitted this 9th day of January, 2008.

Bangor Gas Company, LLC

By: _____

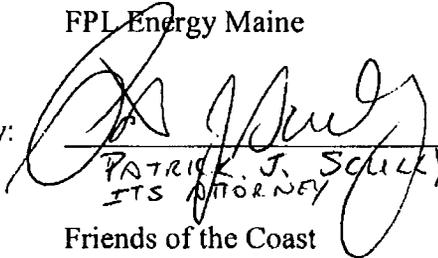
Bangor Hydro-Electric Company

By: _____

Central Maine Power Company

By: _____

FPL Energy Maine

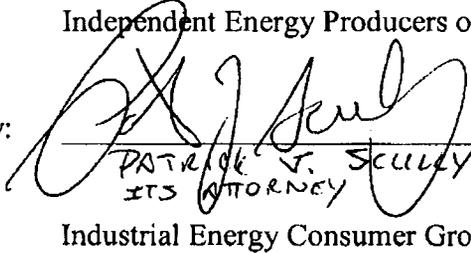
By:  _____
PATRICK J. SCULLY
ITS ATTORNEY
Friends of the Coast

By: _____

IBERDROLA, S.A.

By: _____

Independent Energy Producers of Maine

By:  _____
PATRICK J. SCULLY
ITS ATTORNEY
Industrial Energy Consumer Group

Stipulation

Docket No. 2007-355

Respectfully submitted this 9th day of January, 2008.

Bangor Gas Company, LLC

By: _____

Bangor Hydro-Electric Company

By: _____

Central Maine Power Company

By: _____

FPL Energy Maine

By: *Raymond Shadis*

Friends of the Coast

By: _____

IBERDROLA, S.A.

By: _____

Independent Energy Producers of Maine

By: _____

Industrial Energy Consumer Group

Stipulation

- 16 -

Docket No. 2007-355

Respectfully submitted this 9th day of January, 2008.

Bangor Gas Company, LLC

By: _____

Bangor Hydro-Electric Company

By: _____

Central Maine Power Company

By: _____

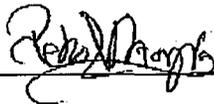
FPL Energy Maine

By: _____

Friends of the Coast

By: _____

IBERDROLA, S.A. PEDRO AZAROLA

By: 

Independent Energy Producers of Maine

By: _____

Industrial Energy Consumer Group

Industrial Energy Consumer Group

By: Linda Lockhart

International Brotherhood of Electrical Workers
Local #1837

By: _____

Maine Natural Gas Corporation

By: _____

Maine Public Service Company

By: _____

Office of the Public Advocate

By: _____

By: _____

**International Brotherhood of Electrical Workers
Local #1837**

By: William J. Quinn

Maine Natural Gas Corporation

By: _____

Maine Public Service Company

By: _____

Office of the Public Advocate

By: _____



By: _____

International Brotherhood of Electrical Workers
Local #1837

By: _____

Maine Natural Gas Corporation

By: Donal R. Quimby

Maine Public Service Company

By: _____

Office of the Public Advocate

By: _____

By: _____

International Brotherhood of Electrical Workers
Local #1837

By: _____

Maine Natural Gas Corporation

By: _____

Maine Public Service Company

By: _____

Office of the Public Advocate

By: _____



ERIC J. BRYANT

Central Maine Power Co.
Treatment of Merger Savings for Earnings Sharing
Hypothetical Example

(Dollars in Thousands)

Assumptions

Common Equity Allocable to Distribution Assumed:	\$	350,000
Allowed Return on Common Equity:		11.00%
Deadband on Earnings (+):		3.50%
Sharing 50/50 earnings above:		14.50%
50% of Merger Savings	\$	8,797
Merger Saving Recovery (after Tax)		5,207

	<u>Net Income</u>	<u>ROE</u>
<u>No Sharing</u>		
Distribution Earnings	\$ 45,000	12.86%
Impact of Merger Savings Recovery	<u>(5,207)</u>	
Adjusted Distribution Earnings	39,793	11.37%
Earnings Sharing		
Total	\$ -	0.00%
50% Sharing	<u>\$ -</u>	

Since the ROE adjusted for merger savings recovery falls within deadband, there is no sharing of earnings with customers.

Sharing

Distribution Earnings	\$ 57,000	16.29%
Impact of Merger Savings Recovery	<u>(5,207)</u>	
Adjusted Distribution Earnings	51,793	14.80%
Earnings Sharing		
Total	\$ 1,043	0.30%
50% Sharing	<u>\$ 521</u>	

50% of the distribution earnings associated with ROE above 14.50%, after adjustment for merger savings recovery, is shared with customers.

**Central Maine Power Co.
Automated Metering Infrastructure Project
Levelized Rate Value
Distribution Revenue Requirement
Thousands**

Year	Revenue Requirement on Capital Investment	Operation Support Costs/(Savings) Alloc/Assigned to Dist	Unlevelized Distribution Revenue Requirement	Levelized Revenue Requirement	Deferred (Over)/Under Revenue Recovery	
	(1)	(2)	(3) = (1) + (2)	(4) = Avg of Col (3)	(5) = (3) - (4)	
2008	1	\$ 4,077	\$ 1,059	\$ 5,136	\$ 4,041	\$ 1,095
2009	2	10,873	(78)	10,796	4,041	6,755
2010	3	15,010	(2,941)	12,068	4,041	8,028
2011	4	14,918	(5,043)	9,876	4,041	5,835
2012	5	14,278	(5,282)	8,996	4,041	4,956
2013	6	13,479	(5,525)	7,954	4,041	3,913
2014	7	12,738	(5,818)	6,920	4,041	2,879
2015	8	12,307	(6,075)	6,231	4,041	2,190
2016	9	11,879	(6,355)	5,525	4,041	1,484
2017	10	11,635	(6,626)	5,009	4,041	968
2018	11	11,192	(6,926)	4,266	4,041	225
2019	12	10,668	(7,277)	3,391	4,041	(650)
2020	13	10,407	(7,593)	2,814	4,041	(1,227)
2021	14	10,135	(7,927)	2,207	4,041	(1,833)
2022	15	9,855	(8,282)	1,573	4,041	(2,468)
2023	16	9,590	(8,633)	957	4,041	(3,084)
2024	17	9,256	(9,038)	218	4,041	(3,823)
2025	18	8,954	(9,430)	(476)	4,041	(4,517)
2026	19	8,640	(9,827)	(1,187)	4,041	(5,228)
2027	20	8,301	(10,246)	(1,945)	4,041	(5,986)
2028	21	7,494	(7,300)	194	4,041	(3,847)
2029	22	5,723	(4,595)	1,128	4,041	(2,913)
2030	23	4,047	(2,758)	1,288	4,041	(2,752)
Total	\$	235,455	\$ (142,517)	\$ 92,938	\$ 92,938	\$ (0)

Total Annual Levelized Amount consistent with CMP's proposed AMI revenue requirement in Docket No. 2007-215 \$4,041

Note: The revenue requirement for this schedule is based on CMP's current estimate of the net costs of the proposed AMI system (as noted on pages 2 to 4 of this Attachment) and its requested pre-tax cost of capital in Docket No. 2007-215. The actual revenue requirement will be based on the approved net costs and approved pre-tax cost of capital determined by the Commission. The difference between the unlevelized revenue requirement and the levelized revenue requirement will be deferred as a regulatory asset and recovered over the 23 year period shown on this schedule. Pursuant to paragraph 25, CMP will not record carrying costs on the deferred revenue requirement.

Central Maine Power Co.
AMI O&M and Investment
Yearly Distribution
Thousand

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Allocation Percent									
Distribution O&M Savings/Support Costs									
Customer Costs	81.96%								
Meter Reading (9020)	-	(1,540.5)	(3,208.9)	(4,507.1)	(4,674.9)	(4,843.4)	(5,021.1)	(5,201.7)	(5,397.2)
Customer Relations Center (9030)	-	(143.8)	(302.3)	(427.8)	(445.4)	(467.0)	(486.4)	(507.3)	(531.4)
Billing (9030)	-	(15.0)	(31.2)	(43.1)	(44.0)	(45.6)	(46.6)	(47.5)	(49.3)
Wage Costs	84.00%								
Labor Transition (9200)	-	221.4	199.0	-	-	-	-	-	-
Assigned 100% Distribution	100%								
Storm Costs (59XX)	-	(75.3)	(154.3)	(213.8)	(218.2)	(222.5)	(226.7)	(230.8)	(234.9)
Cash Flow Savings (Working Capital)	-	(120.6)	(247.0)	(344.2)	(351.2)	(358.1)	(364.9)	(371.6)	(378.2)
Off-cycle Reads (5860)	-	(216.1)	(450.3)	(632.7)	(656.7)	(680.4)	(705.8)	(731.5)	(759.2)
Remote Connect/Disconnect (5860)	-	(161.8)	(337.2)	(473.9)	(491.8)	(509.6)	(528.6)	(547.8)	(568.5)
O&M Support of AMI (5860)	1,059.2	1,973.8	1,909.4	1,926.9	1,936.0	1,945.2	1,913.9	1,923.5	1,933.2
Meter Services (5860)	-	-	(318.6)	(326.9)	(335.3)	(343.8)	(352.2)	(360.7)	(369.2)
Subtotal O&M	1,059.2	(77.9)	(2,941.5)	(5,042.7)	(5,281.7)	(5,525.1)	(5,818.3)	(6,075.4)	(6,354.7)
Capital									
Avoided CapEx									
Meters	(564)	(1,149)	(978)	(801)	(817)	(833)	-	-	-
Subtotal Avoided CapEx	(564)	(1,149)	(978)	(801)	(817)	(833)	-	-	-
Additional CapEx									
Billing System Enhancement	2,431	-	-	-	-	-	-	-	-
MDMS System	4,947	-	-	-	-	788	-	-	-
AMI Meters/Equipment	19,976	42,341	24,119	418	458	544	506	593	647
Subtotal Additional CapEx	27,354	42,341	24,119	418	458	1,332	506	593	647
Subtotal Capital	26,790.5	41,191.8	23,140.6	(382.7)	(359.8)	498.0	506.2	592.5	646.7

Central Maine Power Co.
AMI O&M and Investment
Yearly Distribution
Thousand

	Allocation Percent	2017	2018	2019	2020	2021	2022	2023	2024
Distribution O&M Savings/Support Costs									
Customer Costs 81.96%									
Meter Reading (9020)		(5,593.7)	(5,804.2)	(6,020.8)	(6,250.5)	(6,484.0)	(6,729.9)	(6,983.9)	(7,248.2)
Customer Relations Center (9030)		(554.4)	(577.8)	(606.3)	(632.0)	(659.7)	(691.7)	(721.4)	(752.3)
Billing (9030)		(50.3)	(51.5)	(53.3)	(54.6)	(55.8)	(57.9)	(59.2)	(60.5)
Wage Costs									
Labor Transition (9200)	84.00%	-	-	-	-	-	-	-	-
Assigned 100% Distribution									
Storm Costs (59XX)	100%	(239.7)	(244.5)	(249.5)	(254.5)	(259.7)	(264.9)	(270.2)	(275.7)
Cash Flow Savings (Working Capital)		(385.8)	(393.6)	(401.6)	(409.7)	(417.9)	(426.4)	(435.0)	(443.8)
Off-cycle Reads (5860)		(787.1)	(817.3)	(847.8)	(880.7)	(913.9)	(948.7)	(984.9)	(1,022.7)
Remote Connect/Disconnect (5860)		(589.5)	(612.1)	(634.9)	(659.5)	(684.4)	(710.4)	(737.6)	(765.9)
O&M Support of AMI (5860)		1,953.0	1,963.2	1,936.1	1,957.1	1,967.9	1,978.8	2,001.1	1,984.5
Meter Services (5860)		(378.7)	(388.5)	(398.6)	(409.0)	(419.6)	(430.5)	(441.8)	(453.3)
Subtotal O&M		(6,626.3)	(6,926.3)	(7,276.6)	(7,593.4)	(7,927.2)	(8,281.6)	(8,633.0)	(9,038.0)
Capital									
Avoided CapEx									
Meters		-	-	-	-	-	-	-	-
Subtotal Avoided CapEx		-	-	-	-	-	-	-	-
Additional CapEx									
Billing System Enhancement		-	-	-	-	-	-	-	-
MDMS System		300	591	-	-	-	-	443	-
AMI Meters/Equipment		1,628	1,697	1,648	1,659	1,669	1,681	1,736	1,704
Subtotal Additional CapEx		1,928	2,287	1,648	1,659	1,669	1,681	2,179	1,704
Subtotal Capital		1,927.7	2,287.5	1,648.1	1,658.7	1,669.5	1,680.6	2,179.2	1,703.6

Central Maine Power Co.
AMI O&M and Investment
Yearly Distribution
Thousand

	Allocation Percent	2025	2026	2027	2028	2029	2030	Total Nominal S's
Distribution O&M Savings/Support Costs								
Customer Costs								
	81.96%							
Meter Reading (9020)		(7,523.4)	(7,810.0)	(8,108.3)	(5,753.0)	(3,606.3)	(2,156.4)	(120,467.5)
Customer Relations Center (9030)		(784.6)	(818.3)	(853.4)	(608.1)	(382.8)	(229.9)	(12,184.1)
Billing (9030)		(61.9)	(63.3)	(64.8)	(45.3)	(28.0)	(16.5)	(1,045.2)
Wage Costs								
Labor Transition (9200)	84.00%	-	-	-	-	-	-	420.4
Assigned 100% Distribution								
Storm Costs (59XX)	100%	(281.3)	(287.0)	(287.0)	(196.1)	(118.4)	(68.2)	(4,873.2)
Cash Flow Savings (Working Capital)		(452.7)	(461.9)	(471.2)	(328.5)	(202.3)	(118.8)	(7,885.0)
Off-cycle Reads (5860)		(1,062.0)	(1,102.9)	(1,145.5)	(813.1)	(509.9)	(305.0)	(16,974.2)
Remote Connect/Disconnect (5860)		(795.3)	(826.0)	(857.9)	(608.9)	(381.8)	(228.4)	(12,712.0)
O&M Support of AMI (5860)		1,996.1	2,019.7	2,031.9	1,396.9	847.1	490.8	41,045.0
Meter Services (5860)		(465.2)	(477.4)	(489.9)	(343.6)	(212.9)	(125.8)	(7,841.5)
Subtotal O&M		(9,430.4)	(9,827.0)	(10,246.1)	(7,299.7)	(4,595.4)	(2,758.2)	(142,517.3)
Capital								
Avoided CapEx								
Meters		-	-	-	-	-	-	(5,143)
Subtotal Avoided CapEx		-	-	-	-	-	-	(5,143)
Additional CapEx								
Billing System Enhancement		-	-	-	-	-	-	2,431
MDMS System		-	-	-	249	-	-	7,317
AMI Meters/Equipment		1,716	1,707	1,719	1,757	1,745	1,758	113,423
Subtotal Additional CapEx		1,716	1,707	1,719	2,006	1,745	1,758	123,172
Subtotal Capital		1,715.5	1,706.9	1,719.2	2,005.9	1,744.8	1,758.1	118,029.2

Prospective Differences in AMI Revenue Requirement

In any post-Docket 2007-215 rate proceeding for CMP, the difference between the actual AMI revenue requirement and the unlevelized AMI revenue requirement used in Docket 2007-215 (positive or negative) may be prospectively reflected in CMP's revenue requirement, while leaving the levelized amount approved in Docket 2007-215 unchanged. There will be no true-up for prior year differences.

Example 1 - Actual AMI Revenue Requirement is Lower than Original Projection

Assumptions:

- CMP prospective rate change occurs in 2013
- Actual CMP AMI revenue requirements are 10% lower than originally projected.

Year	Unlevelized Original Projected Revenue Requirement (Attachment 2; pg. 1; col. 3)	New Actual Revenue Requirement is Lower (example assumes 10% lower)	Revenue Requirement Difference to be reflected in Future Rates
2013	\$ 7,954	\$ 7,158	\$ (795)
2014	6,920	6,228	(692)
2015	6,231	5,608	(623)
2016	5,525	4,972	(552)
2017	5,009	4,508	(501)
2018	4,266	3,839	(427)
2019	3,391	3,052	(339)
2020	2,814	2,533	(281)
2021	2,207	1,987	(221)
2022	1,573	1,416	(157)
2023	957	861	(96)
2024	218	196	(22)
2025	(476)	(429)	48
2026	(1,187)	(1,068)	119
2027	(1,945)	(1,751)	195
2028	194	175	(19)
2029	1,128	1,015	(113)
2030	1,288	1,159	(129)
	\$ 46,065	\$ 41,459	\$ (4,607)

Example 2 - Actual AMI Revenue Requirement is Higher than Original Projection

Assumptions:

- CMP prospective rate change occurs in 2013
- Actual CMP AMI revenue requirements is 10% higher than originally projected.

Year	Unlevelized Original Projected Revenue Requirement (Attachment 2; pg. 1; col. 3)	New Actual Revenue Requirement is Higher (example assumes 10% higher)	Revenue Requirement Difference to be reflected in Future Rates
2013	\$ 7,954	\$ 8,749	\$ 795
2014	6,920	7,612	692
2015	6,231	6,854	623
2016	5,525	6,077	552
2017	5,009	5,510	501
2018	4,266	4,692	427
2019	3,391	3,730	339
2020	2,814	3,096	281
2021	2,207	2,428	221
2022	1,573	1,730	157
2023	957	1,052	96
2024	218	239	22
2025	(476)	(524)	(48)
2026	(1,187)	(1,306)	(119)
2027	(1,945)	(2,140)	(195)
2028	194	214	19
2029	1,128	1,241	113
2030	1,288	1,417	129
	\$ 46,065	\$ 50,672	\$ 4,607

ATTACHMENT # 4
Service Quality Metrics

The following service metrics shall be used by CMP for service quality reporting pursuant to the provisions of Paragraph 40 of the Stipulation:

- 1] CAIDI
- 2] SAIFI
- 3] Worse Performing Circuits
- 4] MPUC Complaint Ratio
- 5] Percent of Business Calls Answered
- 6] New Service Installations
- 7] Call Center Service Quality
- 8] Estimated Bills