

SCHEDULE 21-CMP
Local Service Schedule
Central Maine Power Company

I. COMMON SERVICE PROVISIONS

This Local Service Schedule, designated Schedule 21-CMP, governs the terms and conditions of service taken by Transmission Customers over Central Maine's Transmission System. In the event of a conflict between the provisions of this Schedule 21-CMP and other provisions of the Tariff, with respect to Local Service, the provisions of this Schedule 21-CMP shall control.

1 Definitions

Whenever used in this Schedule 21-CMP, in either the singular or plural, the following capitalized terms shall have the meanings specified in the Definition Section of this Part I. Terms used in this Schedule 21-CMP but not defined in this Definition Section shall have the meanings specified in Section 1 of the Tariff. Terms used in this Schedule 21-CMP that are not defined in the Tariff, shall have the meanings customarily attributed to such terms by the electric utility industry in New England. Sections, Schedules or Attachments referred to in this Schedule 21-CMP shall mean a section or schedule in or an attachment to this Schedule 21-CMP unless otherwise stated.

1.4 Annual Transmission Revenue Requirement:

The annual revenue requirements of Central Maine's Transmission System for purposes of this Schedule 21-CMP shall be the amount calculated pursuant to the formulas in Attachment G-W and Attachment G-R, as applicable, and as updated each June 1, or until amended by Central Maine or modified by the Commission.

1.6 Backyard Generation (or Behind-The-Meter Generation):

Generation which interconnects directly with a customer's facilities that will offset all or a portion of a customer's electric load requirements. Any generation used to supply any portion of Local Network Load will not qualify for demand credits associated with Backyard Generation. Such credits shall only be applicable to load not designated as Local Network Load. In such instances, the customer shall be responsible for taking and paying for an appropriate level of Local Point-To-Point Transmission Service.

Notwithstanding any other provisions of this Schedule 21-CMP or Tariff, the Local Network Load of transmission-level retail customers with Behind-The-Meter Generation shall be determined in accordance with Schedule No. 12 of this Schedule 21-CMP.

1.7 Central Maine:

The Central Maine Power Company.

1.8 CMP-Owned Interconnection Facilities:

Facilities and equipment, or portions thereof, owned by Central Maine that are necessary to interconnect a customer with Central Maine's Transmission System.

1.13 Control Area Operator:

ISO, or any successor organization or entity, responsible for the continued operation of the New England Control Area and the administration of the Tariff, subject to regulation by the Commission.

1.16 Designated Agent:

Any entity that performs actions or functions required under this Schedule 21-CMP or Tariff on behalf of Central Maine, an Eligible Customer, an Eligible Generator Customer or a Transmission Customer.

1.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by or for Central Maine for (1) the sole use/benefit of a particular Transmission Customer requesting service under this Schedule 21-CMP or (2) the use by a Generator Owner or developer of a generating station requesting to be interconnected to Central Maine's Transmission System. Direct Assignment Facilities shall be specified in the Service Agreement or Interconnection Agreement that in addition to the applicable terms and conditions of this Schedule 21-CMP and OATT governs service to the Transmission Customer; and shall be subject to Commission acceptance.

1.19 Eligible Generator Customer:

Any electric utility or other person generating energy for sale for resale that owns or develops a new generating unit or changes the electrical characteristics of an existing generating unit that is or will be directly interconnected with Central Maine's Transmission System. For purposes of this Schedule 21-CMP, an Eligible Generator Customer is also considered an Eligible Customer as defined in Section I.2.2 of the OATT.

1.26 Interconnection Agreement:

An agreement between Central Maine and an Eligible Customer or an Eligible Generator Customer for Interconnection Service.

1.27 Interconnection Service:

Those services required to electrically connect Transmission Customer's facilities to Central Maine's Transmission System. Interconnection Service includes, but is not limited to, the identification, design, and construction of facilities required to establish and maintain such electrical connection as identified by a completed System Impact Study and Facilities Study. The customer's and Central Maine's contractual obligations associated with Interconnection Service shall be specified in an Interconnection Agreement which shall be executed and filed with the Commission prior to the commencement of such service.

1.30 Load Ratio Share:

Ratio of a Transmission Customer's Local Network Load to Central Maine's total Local Network Load computed in accordance with Sections 21.II.8.b and 21.II.8.c of the Local Network Service under Part III of this Schedule 21-CMP.

1.35 Local Network Load:

The load that a Local Network Customer designates for Local Network Transmission Service under Part III of this Schedule 21-CMP. The Local Network Customer's Local Network Load shall include all load served by the output of any Network Resources designated by the Local Network Customer (including losses) and shall not be credited or reduced for any Backyard Generation. All Local Network Customers shall be required to have installed appropriate metering to determine such Backyard Generation, in accordance with the Network Operating Agreement. A Local Network Customer may elect to designate less than its total load as Local Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of this Schedule 21-CMP for any Local Point-To-Point Transmission Service that may be necessary for such non-designated load.

Notwithstanding any other provisions of this Schedule 21-CMP and Tariff, the Local Network Load of transmission-level retail customers with Behind-The-Meter Generation shall be determined in accordance with Schedule No. 12 of this Schedule 21-CMP.

1.38 Local Point-To-Point Transmission Service:

Local Point-To-Point Service, including, without limitation, service over CMP-Owned Interconnection Facilities, is a service provided to (1) Eligible Customers, pursuant to Part II of this Schedule 21-CMP by Central Maine over its Local Network, and (2) Eligible Generator Customers that own and develop generating units that are directly interconnected to Central Maine's Transmission System, pursuant to an Interconnection Agreement.

1.40 Native Load Customers:

The wholesale and retail power customers of Central Maine on whose behalf Central Maine, by statute, franchise, regulatory requirement, or contract, has an obligation to construct and operate Central Maine's Transmission System to meet the reliable electric needs of such customers, including but not limited to customers taking service under Schedule No. 12 of this Schedule 21-CMP.

1.45 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Local Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Local Network Service under Part II of Schedule 21 and Part III of this Schedule 21-CMP.

1.50 Part I:

The sections of this Schedule 21-CMP containing the definitions and common service provisions.

1.51 Part II:

The sections of this Schedule 21-CMP pertaining to Local Point-To-Point Transmission Service in conjunction with Schedule 21 and the applicable common service provisions of Part I and appropriate Schedules and Attachments.

1.52 Part III:

The sections of this Schedule 21-CMP pertaining to Local Network Transmission Service in conjunction with Schedule 21 and the applicable common service provisions of Part I and appropriate Schedules and Attachments.

1.61 Regional Application:

A request by an Eligible Generator Customer for Interconnection Service submitted to the Control Area Operator pursuant to the provisions of the OATT.

1.71 Transmission Customer:

Any Eligible Customer or Eligible Generator Customer (or its Designated Agent) that (i) executes a Service Agreement or an Interconnection Agreement, or (ii) requests in writing the filing of a proposed unexecuted Service Agreement to receive Transmission Service under Part II of this Schedule 21-CMP. This term is used in the Part I common service provisions to include customers receiving Transmission Service under Part II and Part III of this Schedule 21-CMP.

1.73 Transmission Service:

Transmission service provided over Central Maine's Local Network, designated as Local Network Service or Local Point-To-Point Service that is provided pursuant to Schedule 21 and this Schedule 21-CMP.

1.74 Transmission System:

The facilities owned, controlled or operated by Central Maine that are used to provide Transmission Service under the OATT, Schedule 21 and Part II and Part III of this Schedule 21-CMP. Central Maine's Transmission System consists of two parts: (1) those transmission facilities which qualify as PTF in accordance with section 49 of the OATT and (2) those remaining transmission facilities which constitute Central Maine's Local Network.

2 Purpose of This Schedule 21-CMP

This Schedule 21-CMP is intended to provide Transmission Service as a compliment to the regional service to be provided under the OATT which is a two-tier transmission arrangement integrating regional service which is provided under the OATT, and Local Network Service and Point-To-Point Service, including, without limitation, service over CMP-Owned Interconnection Facilities as provided under Schedule 21 and this Schedule 21-CMP.

In addition, this Schedule 21-CMP is designed to implement services related to retail access in the State of Maine. Accordingly, the rate schedules and associated service agreements allow Central Maine to act as the agent for its distribution-level customers for the purpose of arranging and obtaining Regional Network Service pursuant to the OATT. Similarly, Central Maine can act as the agent for a transmission-

level customer, if such a customer so requests, and certain designated conditions are fulfilled. To the extent any of the provisions in Schedule 12 of this Schedule 21-CMP contradict any of the terms located elsewhere in this Tariff, the provisions in Schedule 12 shall govern for service to retail customers.

3 Reserved:

4 Ancillary Services

Ancillary Services are needed with Transmission Service to maintain reliability within the New England Control Area.

4.1 Ancillary Services supporting Transmission Service over PTF:

Ancillary Services to support Transmission Service over PTF are provided pursuant to the OATT.

4.2 Ancillary Services supporting Transmission Service over Central Maine's Local Network:

Pursuant to this Schedule 21-CMP, Central Maine will provide and the Transmission Customer is required to purchase from Central Maine, for all Transmission Services provided over its Local Network: Scheduling, System Control and Dispatch Service.

4.3 Unauthorized Use, Pricing and Discounts:

In the event of an unauthorized use of any Ancillary Service by the Transmission Customer, the Transmission Customer will be required to pay the charge, excluding any discount offered, which would otherwise be applicable. Such charge shall apply for the period of unreserved use.

The specific Ancillary Services, prices and/or compensation methods are described in the OATT and in this Schedule 21-CMP on the Schedules that are attached to and made part of this Schedule 21-CMP and OATT. Three principle requirements apply to discounts for Ancillary Services provided by Central Maine in conjunction with its provision of Transmission Service as follows:

(1) any offer of a discount made by the Central Maine must be announced to all Eligible Customers and Eligible Generator Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by Central Maine's wholesale merchant or an Affiliate's use, if any) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed

upon for an Ancillary Service must be offered for the same period to all Eligible Customers and Eligible Generator Customers on Central Maine's Local Network.

4.4 Descriptions and Rate Schedules for Ancillary Services:

Sections 4.4.1 below lists the Ancillary Services that Central Maine provides.

4.4.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1 of this Schedule 21-CMP when provided by Central Maine.

8 Billing and Payment

8.1 Billing Procedure:

Within a reasonable time after the first day of each month, Central Maine shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Schedule 21-CMP during the preceding month. The invoice shall be paid by the Transmission Customer within ten (10) days of receipt. All payments shall be made, in accordance with the procedure specified by Central Maine in immediately available funds payable to Central Maine, or by wire transfer to a bank named by Central Maine.

8.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Central Maine on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Central Maine notifies the Transmission Customer to cure such failure, or if the Transmission Customer violates any provision of its Service Agreement, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Central Maine may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between Central Maine and the Transmission Customer, Central Maine will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then Central Maine may provide notice to the

Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with applicable Commission rules and regulations, and may proceed with such suspension.

10 Regulatory Filings

10.2 Informational Filings

By June 30 of each year, Central Maine shall submit to FERC an informational filing which identifies: (a) the data used to update any formula rates that year, with specific references to Central Maine's FERC Form 1 when applicable; (b) the calculations performed using that data; (c) the results of such calculations; and (d) the basis for any adjustment to the CCS Charge described in Schedule No. 1. When the data used in the formula rates is not identical to data found in FERC Form 1, Central Maine shall include supporting materials. Copies of the informational filing shall be served on FERC Staff, the Maine Public Utilities Commission, and any other party that sends a written request for a copy of the informational filing, such request to be sent no earlier than May 1 of the year in which the informational filing is being requested, and to include the name and address where the copy of the informational filing is to be sent. Copies of the informational filing shall be sent by first class mail.

Within 45 days of the date on which Central Maine submits the informational filing to FERC, the FERC Staff, the Maine Public Utilities Commission, and any party that has requested the informational filing for that year, may submit discovery requests to Central Maine. Central Maine shall make a good faith effort to respond within 10 days of the date on which each particular request is sent. However, such discovery requests are to be limited in scope to the accuracy of the data inputs used in the formula rates, the accuracy of the calculations done using those data inputs, whether Central Maine has properly applied the formula rate, and the accuracy of the data and calculation underlying the adjustment to the CCS Charge. Central Maine shall not be required to respond to discovery requests addressing any other matters. Within 60 days of the date on which Central Maine submits its informational filing to FERC, the FERC Staff, the Maine Public Utilities Commission, and any other party that has requested Central Maine's informational filing, may contest: (1) the accuracy of the data inputs used in the formula rates; (2) the accuracy of the calculations performed using those data inputs; (3) whether Central Maine has properly applied the formula rate; and (4) the accuracy of the data and calculations underlying the adjustment to the CCS Charge. Central Maine and the contesting party shall attempt to resolve any such issues informally. Central Maine shall not be required to respond to any matters raised

that are beyond the scope described in (1), (2) (3) or (4). Nor shall Central Maine be required to respond to any matters that are raised more the 60 days after the date on which Central Maine submitted its informational filing to FERC, whether within the scope of (1), (2) (3) and (4), or not. Nothing in this Section 10.2 shall limit the rights of FERC and the Maine Public Utilities Commission to investigate and rule on Central Maine's rates under applicable law. Nor shall this Section 10.2 limit the rights of any party to contest the prudence of any additional costs included in the informational filing under Section 206 of the Federal Power Act.

11 Force Majeure and Indemnification

11.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, any order, regulation or restriction imposed by a court or governmental military or lawfully established civilian authorities, or any other cause beyond a party's control. Neither Central Maine nor the Transmission Customer will be considered in default as to any obligation under or related to this Schedule 21-CMP if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure shall excuse any payment obligation hereunder or under a Service Agreement. However, a party whose performance under or related to this Schedule 21-CMP is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under or related to this Schedule 21-CMP, and shall promptly notify Central Maine or the Transmission Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure

11.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save Central Maine harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from Central Maine's performance of its obligations under or related to this Schedule 21-CMP on behalf of the Transmission Customer or resulting from the Transmission Customer's acts or omissions under or related to this Schedule 21-CMP, except to the extent that Central Maine is found liable for gross negligence or intentional wrongdoing. For the purposes of this Section

11.2, the term “third parties” includes without limitation, customers under the Tariff, ISO and any other Transmission Owners.

11.3 Limitations of Liability

Central Maine shall not be liable (whether based on contract, indemnification, warranty, tort, strict liability or otherwise) for money damages or other compensation to the Transmission Customer for actions or omissions by Central Maine in performing its obligations under or related to Schedule 21-CMP, or any Service Agreement hereunder, except to the extent that Central Maine is found liable for gross negligence or intentional misconduct and in which case Central Maine shall be liable for only actual direct damages. To the extent the Transmission Customer has claims against Central Maine, the Transmission Customer may only look to the assets of Central Maine for the enforcement of such claims and may not seek to enforce any claims against the Affiliates of Central Maine or the respective directors, members, officers, employees or agents of Central Maine or any of its Affiliates who the Transmission Customer acknowledges and agrees have no personal or other liability for obligations of Central Maine by reason of their status as Affiliates or directors, members, officers, employees or agents of Central Maine or any of its Affiliates. In no event shall Central Maine be liable for any incidental, consequential, multiple, punitive, special, exemplary, or indirect damages, or loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance of this Schedule 21-CMP or any Service Agreement hereunder, even if such damages are foreseeable or the damaged party has advised Central Maine of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy.

11.4 Survival:

The provisions of this Section 11 survive termination or expiration of this Schedule 21 or a Service Agreement hereunder.

12 Creditworthiness

For the purpose of determining the ability of the Transmission Customer, or the Eligible Generator Customer taking Interconnection Service, to meet its obligations related to service hereunder, Central Maine may require reasonable credit review procedures in accordance with Attachment L of Schedule 21-CMP.

13 Dispute Resolution Procedures

13.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and Central Maine involving Transmission Service under this Schedule 21-CMP (excluding applications for rate changes or other changes to this Schedule 21-CMP, or to any Service Agreement entered into under this Schedule 21-CMP, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of Central Maine and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such other period as the parties may agree upon by mutual agreement, such dispute may be submitted to mediation and/or arbitration and resolved in accordance with the arbitration procedures set forth in Section I.6 of the Tariff.

13.2 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission, or seek any other available remedy, under relevant provisions of the Federal Power Act.

II. LOCAL POINT-TO POINT TRANSMISSION SERVICE

Preamble

Firm and Non-Firm Local Point-To-Point Transmission Service over Central Maine's Local Network will be provided pursuant to the applicable terms and conditions of Schedule 21 and this Schedule 21-CMP. Local Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

Central Maine will provide Interconnection Service to owners and developers of generating units directly interconnected to Central Maine's Transmission System in accordance with an Interconnection Agreement between Central Maine and the Eligible Customer or Eligible Generator Customer.

21.I.1 Nature of Firm Local Point-To-Point Transmission Service

21.I.1.d Service Agreements:

A standard form Firm Local Point-To-Point Transmission Service Agreement shall be offered to: (1) an Eligible Generator Customer upon completion of a System Impact Study when no new transmission facilities are required; or (2) an Eligible Generator Customer upon the completion of a Facilities Study or prior to the commencement of construction when new transmission facilities are required. Service Agreements for daily and weekly reservations may be treated as blanket service agreements (i.e., covering more than a single transaction) so long as the Transmission Customer deposits an amount, as described in Section 21.I.5.c, equal to the monthly cost of Transmission Service associated with the Transmission Customer's anticipated maximum transmission reservation request (MWs). If the Transmission Customer exceeds that anticipated maximum, the Transmission Customer shall increase its deposit.

21.I.1.g Classification of Firm Local Transmission Service:

(i) The Transmission Customer taking Firm Local Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 10.a of Schedule 21 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 10.b of Schedule 21 provided that if Central Maine or another entity has constructed new facilities or upgraded facilities to accommodate the original firm service, Central Maine shall continue to be compensated for its facility costs by the Transmission Customer.

(iii) The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7 of this Schedule 21-CMP. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 10 of Schedule 21.

(iv) In the event that a Transmission Customer exceeds its firm Reserved Capacity in any single hour at any Point of Receipt or Point of Delivery, Central Maine shall require that Transmission Customer to apply for additional Firm Local Point-to-Point Transmission Service under this Schedule 21-CMP. The additional Transmission Service shall be for an amount equal to the greatest amount of such excess over its firm Reserved Capacity for the remainder of the term of the Service Agreement. Charges for such additional service will relate back to the first day of the month following the month in which Central Maine notifies such Transmission

Customer that it is subject to the provisions of this paragraph. This charge shall apply until either:

- (a) the Transmission Customer applies for and receives Local Network Transmission Service under Part III to replace the service provided by Local Point-to-Point Transmission Service; or
- (b) the Transmission Customer modifies its facilities in such a way, at customer's expense, to ensure that the Transmission Customer will not exceed its firm Reserved Capacity during the remaining term of the Service Agreement.

21.I.2 Nature of Non-Firm Local Point-To-Point Transmission Service

21.I.2.d Service Agreements:

Service Agreements for daily and weekly reservation may be treated as blanket service agreements (i.e., covering more than a single transaction).

21.I.2.e Classification of Non-Firm Local Point-To-Point Transmission Service:

- (i) Reserved
- (ii) In the event that a Transmission Customer exceeds its non-firm Reserved Capacity in any single hour at any Point of Receipt or Point of Delivery, Central Maine shall require that Transmission Customer to apply for additional non-firm Local Point-to-Point Transmission Service under Schedule 21 and this Schedule 21-CMP. The additional Transmission Service shall be for an amount equal to the greatest amount of such excess over its Non-Firm Reserved Capacity for the remainder of the term of the Service Agreement. Charges for such additional service will relate back to the first day of the month following the month in which Central Maine notifies such Transmission Customer that it is subject to the provisions of this paragraph. This charge shall apply until either:
 - (a) the Transmission Customer applies for and receives Local Network Transmission Service under Part III to replace the service provided by Local Point-to-Point Transmission Service; or

(b) the Transmission Customer modifies its facilities in such a way, at customer's expense, to ensure that the Transmission Customer will not exceed its non-firm Reserved Capacity during the remaining term of the Service Agreement.

21.I.3 Service Availability

21.I.3.b Determination of Available Transfer Capability:

A description of the specific methodology for assessing available transfer capability (ATC) over PTF that is posted on the OASIS is contained in the OATT. Central Maine's specific methodology for assessing ATC over its Local Network which is posted on the OASIS is contained in Attachment C of this Schedule 21-CMP. In the event sufficient Local Network transfer capability may not exist to accommodate a service request, Central Maine will, at the request of an Eligible Customer or an Eligible Generator Customer, respond by performing a System Impact Study.

21.I.3.c Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Customer refuses, or otherwise does not provide written notice to Central Maine and/or the ISO, as applicable, directing Central Maine and/or the ISO, as applicable, to file an unexecuted Local Service Agreement, the ISO and/or Central Maine, as applicable, may make such a filing prior to the commencement of service. Transmission Service shall commence and the Transmission Customer shall be obligated to (i) compensate Central Maine at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 21.I.5.c.

21.I.3.g Real Power Losses:

Real Power Losses are associated with all Transmission Service. Neither the ISO nor Central Maine are obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all Transmission Service as calculated by Central Maine or the Control Area Operator. In cases where Central Maine or the Control Area Operator does not determine and allocate the actual losses, such losses shall be set at 1.5 percent for demand and 0.9 percent for energy.

21.I.3.h Load Shedding:

To the extent that system contingency exists on Central Maine's Transmission System, and Central Maine determines shedding of load is necessary, the parties shall shed load in accordance with procedures under the Tariff and the rules adopted thereunder, or in accordance with other mutually agreed to provisions.

21.I.4 Transmission Customer Responsibilities

21.I.4.a Conditions Required of Transmission Customers:

Local Point-To-Point Transmission Service and Interconnection Service shall be provided only if the following conditions are satisfied by the Transmission Customer:

- (i) The Transmission Customer has pending a Completed Application for Local Service or a Completed Application for regional service, as applicable;
- (ii) The Transmission Customer or Eligible Generator Customer meets the creditworthiness criteria set forth in Section 12;
- (iii) The Transmission Customer or Eligible Generator Customer will have arrangements in place for any other Transmission Service necessary to effect the delivery from the generating source to Central Maine prior to the time service under Schedule 21 and Part II of this Schedule 21-CMP commences;
- (iv) The Transmission Customer or Eligible Generator Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer or Eligible Generator Customer under Schedule 21 and Part II of this Schedule 21-CMP, whether or not the Transmission Customer or Eligible Generator Customer takes service for the full term of its reservation; and
- (v) The Transmission Customer or Eligible Generator Customer has executed a Local Point-To-Point Transmission Service Agreement or has agreed to receive service pursuant to Section 21.I.3.c.

21.I.5 Procedures for Arranging Firm Local Point-To-Point Transmission Service

21.I.5.a Application:

All Eligible Generator Customers requesting Interconnection Service shall be required to submit a Regional Application for service to the Control Area Operator in accordance with the relevant provisions of the OATT. Upon notification by the Control Area Operator of its receipt of a Regional Application, Central Maine shall determine whether any Transmission or Ancillary Services provided under Schedule 21 and this Schedule 21-CMP will be applicable to the Eligible Generator Customer. To the extent such services provided under Schedule 21 and this Schedule 21-CMP are applicable, the customer will be notified by tendering a Transmission Service Agreement which shall be executed and filed with the Commission, or filed with the Commission unexecuted as provided for in Schedule 21 and Section 21.I.3.c of this Schedule 21-CMP.

21.I.5.c Deposit:

A Completed Application for Firm Local Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or, if the Application is for a specific Short-Term Firm Local Point-To-Point Transmission Service, the full charge for Reserved Capacity for service requests of less than one month, including charges for Transmission Service and all applicable Ancillary Services. In the alternative, a Transmission Customer may pay in advance the total expected charge for all services requested.

If the Transmission Customer subsequently enters into a System Impact Study Agreement, which may result in a modification to or an upgrade of Central Maine's Transmission System, or construction of Direct Assignment Facilities to provide the requested service, the deposit shall be based on the average monthly rate for Firm Local Point-To-Point Transmission Service as stated in Schedule 7. Once the Transmission Customer's monthly financial obligation is determined at the conclusion of the Facilities Study, the Transmission Customer's deposit shall be adjusted accordingly.

If the local Application is for "umbrella" Short-Term Firm Local Point-To-Point Transmission Service, the Transmission Customer must specify in the local Application the maximum capacity and maximum duration expected to be requested which shall be the basis for the deposit required, subject to this Section 21.I.5.c. The deposit shall be based on that maximum capacity and duration, and shall equal the lesser of (a) three (3) months full charges or (b) charges associated with the maximum duration. In the alternative, a Transmission Customer may pay, at least 24 hours before the requested service is to commence, the total expected charge for each request for

such Short-Term Firm Local Point-To-Point Transmission Service. In lieu of a cash deposit, Central Maine will accept an irrevocable letter of credit of equal value from a financial institution acceptable to Central Maine. A letter of credit in a form that Central Maine would find generally acceptable is appended as Attachment J to this Schedule 21-CMP.

21.I.5.d Notice of Deficient Application:

If the Control Area Operator, independently or in conjunction with Central Maine, determines that a Regional Application for Interconnection Service fails to satisfy the relevant requirements, the process described in the applicable provisions of the OATT shall apply.

21.I.5.e Response to a Completed Application:

Following submission to the Control Area Operator of a Regional Application by an Eligible Generator Customer, Central Maine will not take any action until it receives a System Impact Study Agreement from the Control Area Operator.

21.I.5.f Execution of Service Agreement:

For service requested by an Eligible Generator Customer, whenever Central Maine determines that a System Impact Study is not required and that the service can be provided, it shall notify the Control Area Operator and the Eligible Generator Customer as soon as practicable but no later than thirty (30) days after receiving notice from the Control Area Operator of the Completed Regional Application. Failure of an Eligible Generator Customer to execute and return the Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 21.I.3.c, within fifteen (15) days after it is tendered will be deemed a withdrawal and termination of the Regional Application and any deposit submitted shall be refunded with Interest. Nothing herein limits the right of an Eligible Generator Customer to file another Regional Application after such withdrawal and termination. Where a System Impact Study is required, the provisions of Section 21.I.7 of Schedule 21 will govern the execution of a Service Agreement.

21.I.6. Procedures for Arranging Non-Firm Local Point-To-Point Transmission Service

21.I.6.f Determination of Available Transfer Capability:

Following receipt of a tendered schedule Central Maine will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 21.I.3.b of this Schedule 21-CMP. Such determination shall be made as soon as reasonably practicable after receipt, but

not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

21.I.7 Additional Study Procedures For Firm Local Point-To-Point Transmission Service Requests

21.I.7.a Notice of Need for System Impact Study:

If the request for service has been made pursuant to a Regional Application and Central Maine determines that a System Impact Study is necessary to accommodate the requested service, Central Maine shall so inform the Control Area Operator and the Eligible Generator Customer as soon as practicable. In such cases, Central Maine shall enter into a System Impact Study Agreement with the Control Area Operator or the Eligible Generator Customer, or both, as applicable, provided that the agreement requires the Eligible Generator Customer to reimburse Central Maine for performing the required System Impact Study. Central Maine shall not engage in any activity related to the System Impact Study until the Eligible Customer executes and delivers the System Impact Study Agreement to Central Maine. If the Eligible Generator Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn.

21.I.12 Metering and Power Factor Correction at Receipt and Delivery Points(s)

21.I.12.a Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of this Tariff and to communicate the information to Central Maine. Unless otherwise agreed, such equipment shall remain the property of Central Maine.

21.I.12.c Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as Central Maine pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable. Where a Transmission Customer fails to maintain a power factor within the same range as Central Maine pursuant to

Good Utility Practices, Central Maine may make whatever improvements or repairs are required to restore or maintain the power factor, and charge the Transmission Customer accordingly.

21.I.13 Compensation for Local Point-To-Point Transmission Service

Rates for Firm and Non-Firm Local Point-To-Point Transmission Service are provided in the Schedules appended to this Schedule 21-CMP: Firm Local Point-To-Point Transmission Service (Schedule 7); and Non-Firm Local Point-To-Point Transmission Service (Schedule 8); Retail Access Transmission and Distribution Services (Schedule 12); Monthly Carrying Charge For Meter Services (Schedule 13); and Monthly Carrying Charge For Direct Assignment Facilities (Schedule 14).

When a generator interconnected with Central Maine's non-PTF system: (1) wheels power to a wholesale load located on New York State Electric & Gas Corporation's system or (2) wheels power through New York State Electric & Gas Corporation's system to a point in the PJM control area, and in either case is subject to the New York State Electric & Gas Corporation Transmission Service Charge pursuant to the New York Independent System Operator Open Access Transmission Tariff or (3) wheels power to a wholesale load located on Rochester Gas and Electric Corporation's system and is subject to the Rochester Gas and Electric Corporation Transmission Service Charge under the New York Independent System Operator Open Access Transmission Tariff, Central Maine will waive its Transmission Service charge for Local Point-To-Point Transmission Service, which is described in Schedule Nos. 7 and 8 of this Schedule 21-CMP, each month said Transmission Service Charge under the New York Independent System Operator Open Access Transmission Tariff exceeds the applicable Central Maine Local Point-To-Point Transmission Service charge. The Eligible Generator Customer shall provide CMP with written notice when a wheeling transaction is subject to both a charge for Local Point-To-Point Transmission Service on CMP's system and a New York State Electric & Gas Corporation or Rochester Gas and Electric Corporation Transmission Service Charge under the New York Independent System Operator Open Access Transmission Tariff. Upon receipt of such notice, Central Maine will coordinate with New York State Electric & Gas Corporation or Rochester Gas and Electric Corporation to identify charges so that Central Maine can determine when to waive its Transmission Service charge pursuant to this paragraph.

When a generator interconnected with Central Maine's Non-PTF system wheels power to a retail load located on New York State Electric & Gas Corporation's system or Rochester Gas and Electric Corporation's system pursuant to the applicable retail access program approved by the New York Public Service Commission, Central Maine will waive its Transmission Service charge for Local Point-To-Point

Transmission Service. As used in this paragraph, the terms “Transmission Service charge” under the Schedule 21-CMP and the New York State Electric & Gas Corporation or Rochester Gas and Electric Corporation “Transmission Service Charge” under the New York Independent System Operator Open Access Transmission Tariff include only the embedded cost charge defined in the applicable tariff and no other charges. For example, the calculation and waiver of charges discussed in this paragraph do not include calculations or waivers of Ancillary Service charges, Congestion charges, losses, contributions in aid of construction, or Direct Assignment Facilities charges, the application of which will remain unchanged by this paragraph.

21.I.15 Interconnection Service

Any entity proposing to interconnect with Central Maine’s transmission facilities, that is not party to an agreement executed on or before July 9, 1996, in which Interconnection Service is addressed, that (1) proposes to site a new generating unit and directly interconnect to Central Maine’s Transmission System, or (2) proposes to materially change electrical characteristics or increase the capacity of an existing generating unit and remain connected to Central Maine’s Transmission System, shall submit an Application for Interconnection Service to the Control Area Operator and shall comply with applicable provisions of this Schedule 21-CMP, the OATT, and the Interconnection Agreement. The Transmission Customer shall enter into an Interconnection Agreement or an interim construction agreement with Central Maine, at Central Maine’s discretion, prior to the construction of any facilities required to provide the requested service as identified in the System Impact Study and Facilities Study.

III. LOCAL NETWORK SERVICE

21.II.2.f Real Power Losses:

Real Power Losses are associated with all Transmission Service. The ISO or Central Maine is not obligated to provide Real Power Losses. The Local Network Customer is responsible for replacing losses associated with all Transmission Service as calculated by Central Maine or the Control Area Operator. The applicable Real Power Losses will be calculated according to procedures set by Central Maine or the Control Area Operator. In cases where Central Maine or the Control Area Operator does not determine and allocate the actual losses, such losses shall be set at 1.5 percent for demand and 0.9 percent for energy.

21.II.3 Initiating Service

21.II.3.a Condition Precedent for Receiving Service:

Local Network Transmission Service will be provided only if the Eligible Customer satisfies the conditions in Section 3.a of Schedule 21 and executes a Local Network Operating Agreement with Central Maine pursuant to Attachment F to this Schedule 21-CMP. Central Maine shall serve as the Designated Agent for all of its distribution-level retail customers participating in Maine's retail access program. As their agent, Central Maine shall assume all responsibilities under Schedule 21.II, Sections 3 and 4, including all associated subsections of this Schedule 21-CMP on their behalf. All of Central Maine's retail transmission-level customers may either take unbundled service directly under the terms of this OATT or may designate Central Maine to serve as their agent to arrange and maintain network service under the terms of the OATT.

21.II.3.b Application Procedures:

The applicable deposit related to the provisions described in Section 3.b of Schedule 21.II for Part III of this Schedule 21-CMP is a deposit approximating the charge for one month of service.

21.II.4 Network Resources

21.II.4.d Operation of Network Resources:

The Local Network Customer shall not operate its designated Network Resources, which are not subject to central dispatch by the Control Area Operator, such that the output of those facilities exceeds its designated Local Network Load, plus non-firm sales delivered pursuant to Part II of this Schedule 21-CMP, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Central Maine to respond to an emergency or other unforeseen condition that may impair or degrade the reliability of the Transmission System.

21.II.4.f Transmission Arrangements for Network Resources Not Physically Interconnected With Central Maine's Local Network:

The customer shall be obligated to reimburse Central Maine for all costs Central Maine incurs in assisting the customer in obtaining such arrangements. Upon the customer's request, Central Maine shall provide the Transmission Customer an estimate of such costs before they are incurred. Upon the customer's request, Central Maine shall provide reasonable itemization of such costs along with any invoice related to those costs.

21.II.4.i Use of Interface Capacity by the Local Network Customer:

There is no limitation upon a Local Network Customer's use of Central Maine's Local Network Transmission System at any particular interface to integrate the Local Network Customer's Network Resources (or substitute economy purchases) with its Local Network Loads. However, a Local Network Customer's use of the Central Maine's total interface capacity with other Transmission Systems may not exceed the Customer's Local Network Load.

21.II.5 Designation of Load

21.II.5.c Network Load Not Physically Interconnected with Central Maine's Local Network:

Central Maine shall include such load as part of a Transmission Customer's Local Network Load only if a scheduling and Interconnection Agreement acceptable to Central Maine is in effect with the Control Area in which the load is located.

21.II.6 Additional Study Procedures For Local Network Transmission Service Requests

21.II.6.d Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Local Network Transmission System are needed to supply the Eligible Generator Customer's request for Interconnection Service, Central Maine shall execute a Facilities Study Agreement, as directed by the Control Area Operator, with the Eligible Generator Customer. For a service request to remain a Completed Regional Application, the Eligible Generator Customer shall execute the Facilities Study Agreement in a timely manner. If the Eligible Generator Customer elects not to execute the Facilities Study Agreement, its Regional Application shall be deemed withdrawn and its deposit (less reasonable Administrative Costs incurred by Central Maine) shall be returned with Interest.

21.II.7 Load Shedding and Curtailments

21.II.7.a Procedures:

Prior to the Service Commencement Date, Central Maine and the Local Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Local Network Operating Agreement with the objective of responding to contingencies on the Local Network Transmission

System. The parties will implement such programs during any period when Central Maine determines that a system contingency exists and such procedures are necessary to alleviate such contingency. Central Maine will notify all affected Local Network Customers in a timely manner of any scheduled Curtailment.

21.II.7.b Transmission Constraints:

During any period when Central Maine determines that a transmission constraint exists on the Local Network Transmission System, and such constraint may impair the reliability of Central Maine's system, Central Maine will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Central Maine's system. To the extent either Central Maine or the Control Area Operator determine that the reliability of the Transmission System can be maintained by redispatching resources, Central Maine can initiate procedures pursuant to the Local Network Operating Agreement, the Tariff, and other Control Area Operator rules and procedures including, without limitation, Market Rule 1. Any redispatch under this Section may not unduly discriminate between Central Maine's use of the Local Network Transmission System on behalf of its Native Load Customers and any Local Network Customer's use of the Local Network Transmission System to serve its designated Local Network Load.

21.II.7.d Curtailments of Scheduled Deliveries:

If a transmission constraint on Central Maine's Local Network Transmission System cannot be relieved through the implementation of redispatch procedures and the Control Area Operator or Central Maine, under the Control Area Operator's direction, determines that it is necessary to curtail scheduled deliveries, the parties shall curtail such schedules in accordance with any applicable provisions of the Local Network Operating Agreement, the Tariff and any Control Area Operator rules and procedures including, without limitation, Market Rule 1.

21.II.7.f Load Shedding:

To the extent that a system contingency exists on Central Maine's or the New England Transmission System and Central Maine or the ISO determines that it is necessary for Central Maine and the Local Network Customer to shed load, the parties shall shed load in accordance with previously established procedures under the Local Network Operating Agreement, or in accordance with other mutually agreed to provisions.

21.II.7.g System Reliability:

Notwithstanding any other provisions of this Tariff, Central Maine and the Control Area Operator reserve the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Local Network Transmission Service without liability on Central Maine's or the Control Area Operator's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Local Network Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on Central Maine's Transmission System or on any other system(s) directly or indirectly interconnected with Central Maine's Transmission System, including without limitation all PTF, Central Maine or the Control Area Operator, consistent with Good Utility Practice, also may curtail Local Network Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. Central Maine or the Control Area Operator shall give the Local Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Transmission Service will be not unduly discriminatory relative to Central Maine's use of the Local Network Transmission System on behalf of its Native Load Customers. Central Maine shall specify the rate treatment and all related terms and conditions applicable in the event that the Local Network Customer fails to respond to established Load Shedding and Curtailment procedures.

21.II.8 Rates and Charges

Retail customers taking unbundled Transmission Service do so pursuant to the rates described in Schedule 12 of this Schedule 21-CMP. Otherwise, The Local Network Customer shall pay Central Maine for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

21.II.8.a Monthly Demand Charge:

The Local Network Customer shall pay a monthly demand charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of Central Maine's Annual Transmission Revenue Requirement. The Annual Transmission Revenue Requirement is calculated pursuant to Attachment G-R or Attachment G-W as applicable.

21.II.8.b Determination of Local Network Customer's Monthly Local Network Load:

The Local Network Customer's monthly Local Network Load is its hourly load (including its designated Local Network Load not physically interconnected with Central Maine's Local Network under Section 21.II.5.c) coincident with Central Maine's Monthly Local Network Transmission System peak.

21.II.8.c Determination of Central Maine's Monthly Local Network Transmission System Load:

Central Maine's monthly Local Network Transmission System load is Central Maine's Monthly Local Network Transmission System Peak minus the coincident peak usage of all Firm Local Point-To-Point Transmission Service customers pursuant to Schedule 21 and Part II of this Schedule 21-CMP plus the Reserved Capacity of all Firm Local Point-To-Point Transmission Service Customers.

21.II.8.d Redispatch Charge:

All costs associated with redispatch of resources shall be charged and allocated in accordance with the Tariff and any Control Area Operator rules and procedures including, without limitation, Market Rule 1.

21.II.8.e Stranded Cost Recovery:

Central Maine may seek to recover stranded costs from the Local Network Customer pursuant to this Schedule 21 in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Central Maine must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

21.II.10 Operating Arrangements

21.II.10.a Operation under The Local Network Operating Agreement:

The Local Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Local Network Operating Agreement. If Central Maine and the Local Network Customer agree in the Interconnection Agreement, the Interconnection Agreement can serve as a Local Network Operating Agreement.

21.II.10.b Local Network Operating Agreement:

The terms and conditions under which the Local Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Schedule 21 and Part III of this Schedule 21-CMP shall be specified in the Local Network Operating Agreement. The Local Network Operating Agreement shall provide for the parties to (i) operate and maintain equipment necessary for integrating the Local Network Customer within Central Maine's Local Network Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Central Maine and the Local Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Central Maine's Local Network Transmission System, interchange schedules, unit outputs for redispatch required under Section 21.II.7, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Schedule 21 and Part III of this Schedule 21-CMP, including scheduling protocols. The Local Network Operating Agreement will recognize that the Local Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC) and the Northeast Power Coordinating Council (NPCC), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with Central Maine for Ancillary Service No. 1 and contracting with the Control Area Operator for Ancillary Service Nos. 2 through 6 or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services which may be provided by another entity, by contracting with another entity, consistent with Good Utility Practice, which satisfies any applicable requirements imposed by NERC, the NPCC, Central Maine or the Control Area Operator. For those Ancillary Services that may be provided by another entity, Central Maine shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Local Network Operating Agreement is included in Attachment F.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into Central Maine's Local Network Control Area. Central Maine or its designee responsible for operating the Local Network can only provide this service, and the Transmission Customer must purchase this service from Central Maine or its designee. As set forth in Section 4, the Transmission Customer is required to purchase this Ancillary Service from Central Maine. The charges for Scheduling, System Control and Dispatch Service are to be based on the formula rate set forth below.

This formula sets forth the details for determining the annual revenue requirement for Scheduling, System Control and Dispatch Service. The revenue requirement reflects the cost of owning, operating and maintaining Central Maine's Local Control Center used for providing Scheduling, System Control and Dispatch Service to customers under this Schedule 21. The term "Local Control Center" used throughout this formula refers to Central Maine's entire system dispatch control center operation. Central Maine's system dispatch control center is comprised of the system dispatch center, which provides services at the regional or PTF level, and the local area dispatch center for services over Central Maine's Local Network.

The Revenue Requirement will be an annual formula rate calculation, effective for an initial term commencing on March 1, 2000 and ending on May 31, 2000, based on 1998 test year data, and updated thereafter each June 1, based on the previous calendar year's FERC Form 1 data, as shown below, using end-of-year balances for each rate base item, as further set forth below.

I. DEFINITIONS

Capitalized terms not otherwise defined in the OATT and in Section 1 of Schedule 21-CMP have the following definitions:

A. ALLOCATION FACTORS

1. Wages and Salaries Allocation Factor shall equal the ratio of the Local Control Center Direct Wages and Salaries to total direct wages and salaries excluding administrative and general wages and salaries.

2. Local Control Center Wages and Salaries Allocation Factor shall equal the ratio of the Transmission Local Control Center Direct Wages and Salaries to total Local Control Center Direct Wages and Salaries.

3. Local Control Center Plant Allocation Factor shall equal the ratio of the total Investment in Local Control Center Related Plant to Total Plant in service.

B. TERMS

Administrative and General Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928, and 930.1.

Amortization of Investment Tax Credits shall equal Central Maine's credits as recorded in FERC Account No. 411.4

Other Regulatory Assets/Liabilities - FAS 106 shall equal the net of Central Maine's FAS106 balance as recorded in FERC Account 182.3 and any FAS 106 balance as recorded in Central Maine's FERC Account No. 254.

Other Regulatory Assets/Liabilities - FAS 109 shall equal the net of Central Maine's FAS 109 balance in FERC Account No. 182.3 and any FAS 109 balance as recorded in Central Maine's FERC Account No. 254.

Payroll Taxes shall equal those payroll expenses as recorded in Central Maine's FERC Account Nos. 408.1.

Prepayments shall equal Central Maine's prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal Central Maine's expenses as recorded in FERC Account No. 924.

Local Control Center Direct Wages and Salaries shall equal Central Maine's direct wages and salaries related to providing Local Control Center services as recorded in FERC Account Nos. 556, 561-561.4, and 581.

Local Control Center Operation and Maintenance Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 556, 561-561.4, and 581.

Local Control Center Plant Depreciation Reserve shall equal Central Maine's depreciation reserve balance for Local Control Center Related Plant as recorded in FERC Account Nos. 108 and 111.

Local Control Center Plant Materials and Supplies shall equal Central Maine's balance as recorded in FERC Account No. 154.

Local Control Center Related Depreciation Expense shall equal Central Maine's depreciation and amortization expense for Local Control Center Related Plant as recorded in FERC Account Nos. 403 and 404.

Local Control Center Related Plant shall equal Central Maine's gross plant balances used for system control and dispatch purposes and the Local Control Center related portion of intangible and general plant as recorded in FERC Account Nos. 301-399. To the extent that such plant includes any amounts recorded as transmission investment in FERC Account Nos. 350-359, such amounts will be excluded for purposes of determining Annual Transmission Revenue Requirements pursuant the formula in Attachment G to this Schedule 21-CMP. Local Control Center Related intangible and general plant shall equal the sum of Central Maine's balances in FERC Account Nos. 301-303 and 389-399, not otherwise directly assigned under this Schedule 21-CMP, multiplied by the Wages and Salaries Allocation Factor.

Local Control Center Support Revenues shall equal the revenues received from Local Control Center supporters as recorded in FERC Account Nos. 454 and 456, excluding any revenues received under Schedule 1 of this Schedule 21-CMP or Schedule 1 of the OATT.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balances as recorded in FERC Account Nos. 281-283 and 190.

Total Municipal Tax Expense shall equal Central Maine's municipal tax expenses as recorded in FERC Account Nos. 408.1.

Total Plant in Service shall equal Central Maine's total gross plant balance as recorded in FERC Account Nos. 301-399.

Transmission Local Control Center Direct Wages and Salaries shall equal Central Maine's direct wages and salaries related to providing Local Control Center services as recorded in FERC Account Nos. 561-561.4.

II. CALCULATION OF TOTAL LOCAL CONTROL CENTER REVENUE REQUIREMENTS

The Local Control Center Revenue Requirement shall equal the sum of the Local Control Center related (A) Return and Associated Income Taxes, (B) Depreciation Expense, (C) Amortization of Investment Tax Credits, (D) Municipal Tax Expense, (E) Payroll Tax Expense, (F) Operations and Maintenance Expense, (G) Administrative and General, minus (H) Support Revenues.

A. Return and Associated Income Taxes shall equal the product of the Local Control Center Investment Base and the Cost of Capital Rate.

1. Local Control Center Investment Base

The Local Control Center Investment Base will be the year end balances of Local Control Center related: (a) Plant, less (b) Depreciation Reserve, less (c) Accumulated Deferred Taxes, plus (d) Other Regulatory Assets/Liabilities, plus (e) prepayments, plus (f) Materials and Supplies, plus (g) Cash Working Capital.

(a) Local Control Center Related Plant shall equal the balance of Central Maine's Investment in Local Control Center plant and the balance of unassigned intangible and general plant multiplied by the Wages and Salaries Allocation Factor.

(b) Local Control Center Related Depreciation Reserve shall equal the Depreciation Reserve and Accumulated Amortization for Central Maine's investment in Local Control Center Related Plant.

(c) Local Control Center Related Accumulated Deferred Taxes shall equal Central Maine's electric balance of Accumulated Deferred Income Taxes multiplied by the Local Control Center Plant Allocation Factor.

(d) Local Control Center Related Other Regulatory Assets/Liabilities shall equal Central Maine's electric balance of any deferred recovery of FAS 106 expenses multiplied by the Wages

and Salaries Allocation Factor, plus Central Maine's electric balance of FAS 109 multiplied by the Local Control Center Plant Allocation Factor.

(e) Local Control Center Related Prepayments shall equal Central Maine's electric balance of prepayments multiplied by the Local Control Center Plant Allocation Factor.

(f) Local Control Center Related Materials and Supplies shall equal Central Maine's electric balance of Plant Materials and Supplies, multiplied by the Local Control Center Plant Allocation Factor.

(g) Local Control Center Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Local Control Center Operation and Maintenance Expense and Local Control Center Related Administrative and General Expense.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) Central Maine's Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated based upon the capital structure at the end of each year and will equal the sum of (i),(ii), and (iii) below.

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of Central Maine's long-term debt then outstanding, including any unamortized discounts and premiums, and any unamortized losses and gains on reacquired debt, and the ratio that long-term debt is to Central Maine's total capital.

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of Central Maine's preferred stock then outstanding and the ratio that preferred stock is to Central Maine's total capital.

(iii) the return on equity component, which equals the product of Central Maine's Return on Equity of 10.57% and the ratio that common equity is to Central Maine's total capital.

(b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.C. below, C is the equity AFUDC component of Local Control Center Depreciation Expense, as defined in II.B., and D is Local Control Center Investment Base, as determined in II.A.1., above.

(c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.C. below, C is the equity AFUDC component of Local Control Center Depreciation Expense, as defined in II.B., D is the Local Control Center Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.1.(b) above.

B. Local Control Center Depreciation Expense shall equal the Local Control Center Related Depreciation and Amortization Expense.

C. Local Control Center Related Amortization of Investment Tax Credits shall equal Central Maine's electric Amortization of Investment Tax Credits multiplied by the Local Control Center Plant Allocation Factor.

D. Local Control Center Related Municipal Tax Expense shall equal Central Maine's total electric municipal tax expense multiplied by the Local Control Center Plant Allocation Factor.

E. Local Control Center Related Payroll Tax Expense shall equal Central Maine's total electric payroll tax expense, multiplied by the Wages and Salaries Allocation Factor.

F. Local Control Center Operation and Maintenance Expense shall equal Central Maine's Operation and Maintenance Expenses recorded in FERC Account Nos. 556, 561-561.4, and 581.

G. Local Control Center Related Administrative and General Expenses shall equal the sum of (1) Central Maine's Administrative and General Expenses multiplied by the Wages and Salaries Allocation Factor, (2) Property Insurance multiplied by the Local Control Center Plant Allocation Factor, and (3) Expenses included in Account 928 related to FERC Assessments, not otherwise directly assigned to transmission, multiplied by the Local Control Center Plant Allocation Factor, plus any other Federal and State Local Control Center related expenses or assessments, plus specific Local Control Center related expenses included in Account 930.1.

H. Local Control Center Support Revenues shall equal Central Maine's revenue received from providing system control and dispatch service other than under Schedule 1 of the OATT or Schedule 21-CMP.

III. CALCULATION OF LOCAL SCHEDULE 1 REVENUE REQUIREMENTS

The total Local Control Center Revenue Requirements derived in Section II, above, are further multiplied by the Local Control Center Wages and Salaries Allocation Factor defined in Section I. A. 2., above, to determine the transmission related Revenue Requirement. The transmission related Revenue Requirement is then reduced by the revenues recorded in FERC Account No. 456 that Central Maine receives: (1) under Schedule 1 of the OATT, except that such revenues shall exclude any incremental revenues associated with FERC-approved ROE adders for RTO participation and new transmission investment, (2) for short-term service, non-firm service, or any penalties associated with the provision of Scheduling, System Control and Dispatch service under this Schedule 21-CMP, (3) for Control Center Service ("CCS") Charges received from generators who have elected such arrangements, (4) for Schedule 1 related revenues received pursuant to wheeling out transactions whether such services are provided under this Schedule 21-CMP or pursuant to an Interconnection Agreement, and for (5) Schedule 1 related revenues received by Central Maine pursuant to Transmission Service Agreements that pre-dated Order No. 888, to the extent that such transactions are treated as a revenue credit rather than in the determination of Load Ratio Share. The Schedule 1 related revenues associated with such pre-dated contacts will be prorated between Attachment G and Schedule 1 of this Schedule 21-CMP based on gross investment in plant for the services at issue. The credits for wheeling out revenues and for the CCS Charge shall change from month to month based on the actual amounts received by Central Maine for the prior month or for

the most recent month that the data is available. The Revenue Requirement in this Schedule shall be revised each month to reflect the annualized amount of such credits.

IV. SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE CHARGES:

The charge for Scheduling, System Control and Dispatch service will be re-determined annually on June 1 of each year, and shall be in effect for the succeeding twelve months. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the annual Revenue Requirement calculated in III. above, by Central Maine's average monthly Local Network Transmission System load (as defined in Section 21.II.8.c) for the prior calendar year. Each Local Network Customer shall pay the Schedule 1 rate on the basis of the number of kilowatts of Monthly Local Network Load. (as defined in Section 21.II.8.b).

Each Transmission Customer taking Local Point to Point Transmission Service shall pay the Schedule 1 rate on the basis of the highest amount of Reserved Capacity for each Local Point-To-Point Transmission Service transaction as follows:

For Monthly Service - Annual rate divided by 12 months

For Weekly Service - Annual rate divided by 52 weeks

For Daily Service - Weekly rate divided by 7 days

For Hourly Service – Daily rate divided by 24 hours

Exceeding Capacity Reservations: As set forth in Section 4.3, in the event the Transmission Customer exceeds the Capacity Reservation specified in the customer's Transmission Service Agreement as determined by Central Maine, the Transmission Customer shall be retroactively charged the rates specified above without any discount, if one is in place at the time, for any capacity exceeding the amount reserved. Such charge shall apply for the period of unreserved use.

Control Center Services Charge

In lieu of taking Scheduling, System Control and Dispatch Service directly under the terms of this Schedule, a generator interconnected to Central Maine's PTF via Direct Assignment Facilities may elect to compensate Central Maine for the cost incurred in providing Control Center Services to such generators via: (a) a Scheduling, System Control and Dispatch Service Charge, incorporated into the generator's Interconnection Agreement, which reflects exactly the same charges and terms described in this Schedule; or (b) a Control Center Service ("CCS") Charge, the terms of which are incorporated into

the generator's Interconnection Agreement. If the generator elects (a) or (b), it must incorporate a provision into its Interconnection Agreement in which it agrees to pay charges identical to those described in Schedule Nos. 13 and 14 of this Schedule 21-CMP, however, the generator shall not be required to pay any capital carrying charge in Schedule Nos. 13 and 14 if its has paid a contribution in aid of construction ("CIAC") or made any other payment that reflects all of the capital costs associated with such facilities for which the generator is ultimately responsible.

The CCS Charge shall be based on the following two-part rate:

For Generators less than or equal to 500 MW:

Fixed Charge: \$11,304.00 per year, plus

Variable Charge: \$0.25 per kw-year.

For Generators greater than 500 MW:

Fixed Charge: \$11,304.00 per year, plus

Variable Charge: \$0.19 per kw-year.

The maximum level of capacity (kw) for which the generator's interconnection was designed shall be used to establish the billing demand determinants in the calculation of the CCS Charge.

These charges shall be increased or decreased in direct proportion to the amount that the cost of owning, operating and maintaining the control center increases or decreases, as determined each June 1.

A generator may elect to switch its payment method for Scheduling, System Control and Dispatch Service, once per year, to be effective June 1, provided that the generator sends written notice of its desire to switch, between May 1 and May 15 of that year, to the Manager of Transmission Services at Central Maine. Once Central Maine receives such notice, the generator shall not be permitted to switch again until the next year.

If a generator is paying for Scheduling, System Control and Dispatch Service directly under the terms of this Schedule, or pursuant to provisions in its Interconnection Agreement that mirror the exact terms of this Schedule, Central Maine shall reduce the generator's bill each month to reflect the amounts paid for service under this Schedule for the same month by load that the generator is serving, provided that the load is located in Central Maine's service territory, and the generator has been designated a Network Resource by the load. There is no reduction to a generator's bill, regardless of where the load is located

and whether the generator is designated a Network Resource, when the generator is paying the CCS Charge.

SCHEDULE 7

Long and Short Term Firm Local Point-To-Point Transmission Service

Each Transmission Customer who takes Firm Local Point-to-Point Transmission Service shall pay Central Maine each month on the basis of the highest amount of Reserved Capacity for each transaction reserved as Firm Local Point to Point Transmission Service. Except as provided otherwise below, the charges will be re-determined annually on June 1 of each year, and shall be in effect for the succeeding twelve months. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the Annual Transmission Revenue Requirement calculated pursuant to the Attachment G formula, by Central Maine's average monthly Local Network Transmission System load (as defined in Section 21.II.8.c) for the prior calendar year.

Each Transmission Customer taking Firm Local Point to Point Transmission Service shall pay the firm local point-to-point rate on the basis of the highest amount of Reserved Capacity for each transaction reserved as Firm Local Point-To-Point Transmission Service as follows:

- 1) **Yearly reservation:** one-twelfth of the annual rate per kilowatt of Reserved Capacity per year.
- 2) **Monthly reservation:** one-twelfth of the annual rate per kilowatt of Reserved Capacity per month.
- 3) **Weekly reservation:** 1/52nd of the annual rate per kilowatt of Reserved Capacity per week.
- 4) **Daily reservation:** 1/5th of the weekly rate per kilowatt of Reserved Capacity per day.

Provided that the total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

Notwithstanding the rates described above, through February 28, 2003, each generator that is interconnected with Central Maine's integrated non-PTF system and taking Firm Local Point to Point Transmission Service shall for each transaction pay at a rate of \$3.00 per kW-year multiplied by the highest amount of Reserved Capacity for that transaction. The charges for reservations of less than one year shall be determined as described above. If in a given month, a generator is serving load in Central

Maine's service territory, Central Maine shall reduce the amount billed to the generator for that month's service to account for any amounts paid by such load, except that for short-term transactions where it has not been demonstrated to Central Maine's satisfaction that the generator is serving load in Central Maine's service territory, Central Maine shall bill the generator the total amount owed without any reduction, and issue a refund once it has not been demonstrated to Central Maine's satisfaction that load in its service territory is being served via such transaction. Satisfactory methods of demonstrating that load is being served in Central Maine's service territory include: (a) an affidavit executed by the generator and an affidavit executed by the load, each stating that the generator is serving the load and identifying how much service is being provided; (b) a copy of the executed contract between the generator and the load; or (c) any other method that Central Maine agrees is satisfactory. If, for any reason, the load being served in Central Maine's territory is overstated, the generator shall immediately reimburse Central Maine for all monies that would have been collected based on the correct amount of load, with interest calculated at a rate equal to Central Maine's overall rate of return. If, for any reason, the amount of load served by the generator is understated, Central Maine shall reimburse the generator for all monies that were paid in excess of the amount that should have been paid based on the correct load with interest calculated pursuant to Section 35.19a of FERC's regulations. A generator shall not receive any reduction to the amount it is billed, nor any refund, as described herein, to the extent it is wheeling power out of Central Maine's service territory. Generators are not permitted to purchase transmission on behalf of load at the \$3.00 rate. Load must pay for transmission at the full rates described in this OATT. On March 1, 2003, and subsequently, the \$3.00 rate and the reduction for service to load in Central Maine's service territory shall expire and be considered void.

The charges described in this schedule are subject to waiver under the circumstances and pursuant to the conditions described in Section 21.I.13 of this Schedule 21-CMP.

5) **Discounts:** Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by Central Maine must be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by Central Maine's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, Central Maine must offer the same discounted Transmission Service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same Point(s) of Delivery on the Transmission System.

6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to the resales of Transmission Service, compensation for which shall be governed by Schedule 21 § 11 (a).

SCHEDULE 8

Non-Firm Local Point-To-Point Transmission Service

Each Transmission Customer who takes Non-Firm Local Point-to-Point Transmission Service shall pay Central Maine each month on the basis of the highest amount of Reserved Capacity for each transaction reserved as Non-Firm Local Point to Point Transmission Service. The charges will be re-determined annually on June 1 of each year, and shall be in effect for the succeeding twelve months. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the Annual Transmission Revenue Requirement calculated pursuant to the Attachment G formula, by Central Maine's average monthly Local Network Transmission System load (as defined in Section 21.II.8.c) for the prior calendar year.

Each Transmission Customer taking Non-Firm Local Point to Point Transmission Service shall pay the non-firm local point-to-point rate on the basis of the highest amount of Reserved Capacity for each transaction scheduled as Non-Firm Local Point to Point Transmission Service as follows:

- 1) **Yearly reservation:** one-twelfth of the annual rate per kilowatt of Reserved Capacity per year.
- 2) **Monthly reservation:** one-twelfth of the annual rate per kilowatt of Reserved Capacity per month.
- 3) **Weekly reservation:** 1/52nd of the annual rate per kilowatt of Reserved Capacity per week.
- 4) **Daily reservation:** 1/7th of the weekly rate per kilowatt of Reserved Capacity per day.
- 5) **Hourly reservation:** 1/24th of the daily rate per kilowatt of Reserved Capacity per hour.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly

or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week. The charges described in this schedule are subject to waiver under the circumstances and pursuant to the conditions described in Section 21.I.13 of this Schedule 21-CMP.

6) **Discounts:** Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by Central Maine must be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by Central Maine's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, Central Maine must offer the same discounted Transmission Service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same Point(s) of Delivery on the Transmission System.

7) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to the resales of Transmission Service, compensation for which shall be governed by Schedule 21 § 11 (a).

SCHEDULE 12

Retail Access Transmission and Distribution Services

A. EXCEPTIONS TO OPEN ACCESS TRANSMISSION TARIFF:

The following applies only to Retail Network Transmission Service for both transmission-level and distribution level retail customers and Point-To-Point Transmission Service for transmission-level retail customers. For each unbundled retail Transmission Service, Central Maine specifies below the modifications to the ("OATT") terms and conditions necessary for retail access transmission and distribution services. The exceptions to the OATT specified below will apply to all customers that take service either directly under the following rate designations or pursuant to a targeted rate, Tariff or contract,¹ but for that targeted rate, Tariff or contract, the customer otherwise would take service under the following designations:

¹ Central Maine may change the price for distribution service that it charges customers pursuant to guidelines established by the Maine Public Utilities Commission. These price changes are normally done with targeted groups of customers or with one customer in order to retain sales or grow sales. The price changes are in the form of a rate or tariff or an individual contract

Transmission-Level² (1) LGS-ST-TOU; (2) LGS-T-TOU; (3) SB-LGS-T; and (4) SB-LGS-ST.

Distribution-Level³: (1) A; (2) A-LM; (3) A-TOU; (4); AL (5); IGS-P-TOU; (6) IGS-S-TOU (7) LGS-P-TOU; (8) LGS-S-TOU; (9) MGS-P; (10) MGS-P-TOU; (11) MGS-S; (12) MGS-S-TOU; (13) N (14) R; (15) R-TOU; (16) SB-IGS-P; (17) SB-IGS-S; (18) SB-LGS-P; (19) SB-LGS-S; (20) SL; (21) SGS; and (22) SGS-TOU.

1. Central Maine shall be the sole Designated Agent for arranging network service for its distribution-level retail customers. Central Maine shall be allowed to bill such retail customers directly for combined transmission and distribution services. Distribution-level retail customers shall take Local Network Transmission Service from Central Maine, acting as their agent under an Umbrella Service Agreement for Retail Local Network Transmission Service (“Umbrella Agreement”). Distribution-level retail customers also agree under the Umbrella Agreement that Central Maine will act as their Designated Agent for arranging and obtaining Regional Network Service and transmission related services on their behalf pursuant to the Tariff. Such individual distribution-level retail customers are not required to sign separate Transmission Service Agreements. Distribution-level retail customers agree to take Ancillary Services for Scheduling, System Control & Dispatch Service and Reactive Power & Voltage Support From Generating Resources Service from or through Central Maine, which Central Maine will procure on behalf of such customers. Central Maine agrees to perform services under the umbrella Agreement for an initial term of one year (commencing on March 1, 2000), that will continue from year-to-year unless terminated by Central Maine through a unilateral filing with FERC under section 205 of the FPA. Accordingly, Central Maine will transmit capacity and energy sufficient to serve all of its distribution-level retail customers as determined by the Maine Public Utilities Commission.

2. Transmission-level retail customers must sign a Local Point-To-Point Service Agreement or a Local Network Service Agreement and Network Operating Agreement for Retail Local Network Transmission Service (“Service Agreement”). Local Network Service will be supplied by Central Maine to these transmission-level retail customers for an initial term established pursuant to the Service Agreement. Transmission-level retail customers must also purchase Regional Network Service and transmission-related services under the Tariff or, at their discretion, designate Central Maine to act as

² Transmission-level customers taking service under the specified rate schedules are required to purchase Transmission Services directly under this Schedule 21-CMP and the Tariff, except that transmission-level customers may designate CMP to act as their agent for arranging and obtaining service under the Tariff

³ Distribution-level customers taking service under the specified rate schedules will purchase Transmission Services from CMP as their Designated Agent in a combined transmission and distribution rate.

their agent for obtaining and arranging Regional Network Service and transmission related services under the Tariff.

3. If specifically requested by Central Maine's transmission-level retail customers in the Service Agreement, Central Maine will also arrange and obtain Regional Network Service and related services under the Tariff, and arrange and obtain Ancillary Services for Scheduling, System Control & Dispatch Service and Reactive Power & Voltage Support From Generating Resources Service as provided under the OATT and will bill these retail transmission-level customers directly for Regional Network Service and applicable Ancillary Services. Central Maine shall charge transmission-level retail Customers, designating Central Maine as their agent, an administrative fee of \$200 per month for arranging such services. The initial minimum term for such designation shall be 15 months from March 1, 2000 or the term of the Service Agreement, and thereafter shall be one (1) year. Transmission-level retail customers electing to change such designation must notify the manager of transmission services, in writing by May 1 of each year to be effective on the annual June 1 of that year, when the formula rates are updated pursuant to this Schedule 21-CMP.

4. Transmission-level retail customers designating Central Maine as the sole agent to arrange and obtain Regional Network Service and related services pursuant to the Tariff agree to pay in full to Central Maine any and all costs of such services, including costs incurred to arrange such services under the Tariff and for applicable Ancillary Services (including the \$200 per month administrative fee (see A.3)).

5. An additional deposit beyond that required to obtain retail distribution service will not be required to accompany an Application for Transmission Service under this Schedule 21. Nevertheless, Central Maine will reserve the right to implement "commercially reasonable" deposit practices should market conditions or individual customer conditions warrant.

6. The reservation priority for existing firm service customers is modified to give retail customers the right to continue to take service.

7. [RESERVED]

8. Unless otherwise specified in their State of Maine Tariffs or in an agreement with Central Maine, the minimum term of service for retail transmission-level customers is one year. The minimum term for retail distribution-level customers will be Central Maine's monthly billing cycle. Thereafter, such retail

distribution-level customers will continue to be responsible for transmission charges from typical monthly billing cycle to typical monthly billing cycle.

9. Retail customers taking Transmission Service under the aforementioned rate designations will abide by the MPUC 's deposit, late payment, interest, and disconnection rules associated with the retail distribution service and will not be assessed additional charges covering these issues for Transmission Service under this Schedule 21.

B. TRANSMISSION RATE COMPONENTS OF CENTRAL MAINE'S DISTRIBUTION-LEVEL CUSTOMER RETAIL RATES:

The transmission rate components of Central Maine's distribution-level retail rates are determined as follows:

1. Allocate the transmission related charges⁴ under the Tariff and the revenue requirement calculated pursuant to the Attachment G-R formula of this Schedule 21-CMP, including charges for system control and dispatch, to appropriate retail rate classes based upon historical test year 12 month average coincident peak data adjusted to reflect Behind-The-Meter Generation of transmission-level retail and wholesale customers, in accordance with Sections 21.II.7, 21.II.8.b and 21.II.8.c of this Schedule 21-CMP.

2. Divide the results of the allocation described in "1" above by the appropriate retail billing determinants for the same test year (kWh for customers that are not billed for demand, or kW for customers that are billed for demand) to determine the transmission prices for distribution-level customers associated with "1" above.

3. Beginning March 2000, Central Maine shall recover in distribution-level retail rates, the difference between actual Congestion costs billed pursuant to the Tariff, to the extent such Congestion costs are assessed on the basis of transmission reservations or load, and the level of Congestion costs reflected in transmission prices paid by Central Maine's distribution-level retail customers. Any difference between Congestion costs incurred and those in distribution level retail rates, whether positive

⁴ Charges incurred by Central Maine pursuant to the Tariff, including but not limited to congestion uplift costs, are considered transmission-related except for power supply related costs incurred under these regional arrangements. As a general rule, Central Maine defines transmission related charges as those regional charges allocated to Transmission Customers (or transmission owners taking Transmission Service under the Tariff as an agent for retail Transmission Customers) based on transmission billing determinants while power supply related charges are those regional charges associated with the Tariff that are allocated based on energy billing determinants.

or negative, will be accrued with interest calculated pursuant to Section 35.19a of the Commission's regulations, and shall be recovered or credited beginning with the next rate change for these customers.

Central Maine shall continue to be able to recover any differences (positive or negative) that exist between actual Congestion costs and that included in rates for recovery of current Congestion costs in subsequent transmission prices. Once recovery of past costs is complete, the amounts shall be removed from Central Maine's transmission prices.

Central Maine shall allocate such congestion costs to each rate class based on the same historical test year 12 month average coincident peak data used to allocate transmission-related charges under the Tariff, as described in "1" and "2" above. The amounts allocated to each rate class shall then be divided by the appropriate retail billing determinants as described in "2" above to determine the transmission prices associated with Congestion costs for distribution-level retail customers, and shall be in addition to the transmission prices for distribution-level retail customers determined in "1" and "2" above.

C. TIMING OF TRANSMISSION RATE CHANGES FOR DISTRIBUTION-LEVEL RETAIL CUSTOMERS:

1. To accommodate the timing difference between transmission price changes and distribution price changes, the retail transmission price changes for distribution-level retail customers will take effect contemporaneously with the annual changes to distribution rates. The transmission revenue effect of any difference (positive or negative) between when transmission price changes would normally occur (i.e. June 1) and when they actually occur will be accrued with interest, calculated pursuant to Section 35.19a of FERC's regulations and included in the next determination of transmission prices for distribution-level retail customers.

2. Transmission prices for distribution-level retail customers will not change each month to account for the crediting of wheeling out revenues that Central Maine receives from generators. Nor will transmission prices for distribution-level retail customers change each month to account for any revenue credits received from generators taking point-to-point service. Rather, Central Maine shall accrue with interest (calculated pursuant to Section 35.19a of FERC's regulations) the difference between the revenue credits properly assigned to distribution-level retail customers and that included in distribution-level

transmission rates, and include such accrued amounts in the next determination of distribution-level retail transmission prices.

3. The rates for Scheduling, System Control and Dispatch Service shall not change each month for distribution-level retail customers. To the extent such rates should change each month to reflect revenues associated with the Scheduling, System Control and Dispatch charges paid by generators, and CCS Charges paid by generators, Central Maine shall accrue with interest (calculated pursuant to Section 35.19a of FERC's regulations) the difference between the revenue credits properly assigned each month and the revenue credits actually used, such accrued amount to be incorporated into the next determination of rates under Schedule No. 1 for distribution-level retail customers.

D. TRANSMISSION RATES FOR CENTRAL MAINE'S TRANSMISSION-LEVEL CUSTOMERS:

1. Whether or not Central Maine's retail transmission-level customers designate Central Maine as their sole agent, Central Maine's retail transmission-level customers will be charged the applicable rate for Local Network Service pursuant to the formula in Attachment G-R of Schedule 21-CMP and Section (B) of this Schedule No. 12, and will be charged the applicable rate for Regional Network Service and applicable Ancillary Services in instances where the transmission-level customers designate Central Maine as their agent for acquiring services under the Tariff on their behalf pursuant to Section (B) of this Schedule No. 12.

2. The Local Network Load for each transmission-level retail customer with Behind-The-Meter Generation (not including those customers taking service over a Direct Assignment Facility that interconnects with PTF) shall be determined pursuant to Sections 21.II.7 and 21.II.8.b of this Schedule 21-CMP, except that Central Maine shall account for such Behind-the-Meter Generation in its calculations of Load Ratio Share using one of the following two methods: (a) by adding to the facility's monthly coincident peak demand (when the Behind-The-Meter Generation is in service), 22.5 percent of the additional load that would be placed on Central Maine's system when the Behind-The-Meter Generation is out of service; or (b) by using the monthly maximum 15 minute measured demand, occurring at any time during the month.

Customers taking service over a Direct Assignment Facility that interconnects with PTF shall pay the applicable charges for service over such Direct Assignment Facilities rather than the charge for Local

Network Service under this Schedule 21-CMP. The Load Ratio Share for such Customers shall be calculated using one of the following two methods: (a) by adding to the facility's monthly coincident peak demand (when the Behind-The-Meter Generation is in service), 22.5 percent of the additional load that would be placed on Central Maine's system when the Behind-the-Meter Generation is out of service; or (b) by using the monthly maximum 15 minute measured demand, occurring at any time during the month.

3. The treatment of behind-the-meter load, as described in this Schedule 21-CMP, shall not impact the manner in which Central Maine reports load to ISO, nor shall it impact any regional charges or rates assessed by ISO. Customers who do not designate Central Maine as their agent shall be billed or credited the difference between the amount billed directly by ISO for services and the allocation of costs that result from Central Maine's apportioning of the total charges under the Tariff using the Load Ratio Shares adjusted for Behind-The-Meter Generation pursuant to this Schedule 21-CMP. In the event ISO adopts any position on behind-the-meter load, any party shall be permitted to make a filing at FERC (under Section 205 of the FPA for Central Maine; under Section 206 of the FPA for all others), proposing a change to the treatment of behind-the-meter load in this Schedule 21-CMP to be consistent with ISO's treatment. Any party responding to such a filing is permitted to argue for no change to the terms of Central Maine's Schedule 21-CMP regarding behind-the-meter load.

4. Each load with Behind-The-Meter Generation shall select one of the two methods described in 2(a) or 2(b) above. Load is permitted to change its selection only once per year by sending written notice of such change to the Manager of Transmission Operations at Central Maine no earlier than May 1 of that year and no later than May 15 of that year. Upon proper notice, the requested change shall take effect on June 1 of that year.

5. Notwithstanding any other provision in this Schedule, the Local Network Load of a customer taking non-firm service under Rate O in any month shall be the load placed on the system by the customer at the time of Central Maine's monthly system peak for the load taken under Rate O, without regard for Behind-The-Meter Generation.

6. Nothing herein shall make a Behind-The-Meter Generator a designated Network Resource or prevent such generation from being designated by the generator itself as a Network Resource.

SCHEDULE 13
METER SERVICES

This formula sets forth the details for determining the annual revenue requirement related to providing Meter Services. The revenue requirement reflects the cost of owning, operating and maintaining Central Maine's Meters. The Revenue Requirement will be an annual formula rate calculation, effective for an initial term commencing on the effective date established by FERC and ending on May 31, 2000, based on 1998 test year data, and updated thereafter each June 1, based on the previous calendar year's FERC Form 1 data, as shown below, using end-of-year balances for each rate base item, as further set forth below.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section 1 of Schedule 21-CMP and used in this formula have the following definitions:

A. ALLOCATION FACTORS

1. Wages and Salaries Allocation Factor shall equal the ratio of the Meter Direct Wages and Salaries to Total Direct Wages and Salaries excluding Administrative and General Wages and Salaries.
2. Meter Plant Allocation Factor shall equal the ratio of the sum of Total Investment in Meter Plant and Meter Related General Plant to Total Plant in service.

B. TERMS

Administrative and General Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928, and 930.1.

Amortization of Investment Tax Credits shall equal Central Maine's credits as recorded in FERC Account No. 411.4.

Materials and Supplies shall equal Central Maine's balance as recorded in FERC Account No. 154.

Meter Depreciation Expense shall equal Central Maine's depreciation expense for Meter Plant

as recorded in FERC Account No. 403.

Meter Direct Wages and Salaries shall equal Central Maine's direct wages and salaries related to providing meter services as recorded in FERC Account Nos. 586 and 597.

Meter Operation and Maintenance Expense shall equal Central Maine's expenses recorded in FERC Account Nos. 586 and 597.

Meter Plant shall equal Central Maine's gross plant balances used for metering purposes as recorded in FERC Account No. 370.

Meter Plant Depreciation Reserve shall equal Central Maine's depreciation reserve balance for Meter Plant as recorded in FERC Account No. 403.

General Plant shall equal Central Maine's balance in FERC Account No. 389 – 399.

General Plant Depreciation Expense shall equal Central Maine's depreciation expense for General Plant as recorded in FERC Account No. 403.

General Plant Depreciation Reserve shall equal Central Maine's depreciation and amortization reserve balance for General Plant as recorded in FERC Account No. 108.

Other Regulatory Assets/Liabilities - FAS 106 shall equal the net of Central Maine's FAS106 balance as recorded in FERC Account 182.3 and any FAS 106 balance as recorded in Central Maine's FERC Account No. 254.

Other Regulatory Assets/Liabilities - FAS 109 shall equal the net of Central Maine's FAS 109 balance in FERC Account No. 182.3 and any FAS 109 balance as recorded in Central Maine's FERC Account No. 254.

Payroll Taxes shall equal those payroll expenses as recorded in Central Maine's FERC Account Nos. 408.1.

Prepayments shall equal Central Maine's prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal Central Maine's expenses as recorded in FERC Account No. 924.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balances as recorded in FERC Account Nos. 281-283 and 190.

Total Municipal Tax Expense shall equal Central Maine's municipal tax expenses as recorded in FERC Account Nos. 408.1.

Total Plant in Service shall equal Central Maine's total gross plant balance as recorded in FERC Account Nos. 301-399.

II. CALCULATION OF TOTAL METER REVENUE REQUIREMENTS

The Meter Revenue Requirement shall equal the sum of the Meter related (A) Return and Associated Income Taxes, (B) Depreciation Expense, (C) Amortization of Investment Tax Credits, (D) Municipal Tax Expense, (E) Payroll Tax Expense, (F) Operations and Maintenance Expense, (G) Administrative and General.

A. Return and Associated Income Taxes shall equal the product of the Meter Investment Base and the Cost of Capital Rate reflected in Attachment G of Schedule 21-CMP.

1. Meter Investment Base

The Meter Investment Base will be the year end balances of Meter related: (a) Plant, plus (b) General Plant, less (c) Depreciation Reserve, less (d) Accumulated Deferred Taxes, plus (e) Other Regulatory Assets/Liabilities, plus (f) prepayments, plus (g) Materials and Supplies, plus (h) Cash Working Capital.

(a) Meter Related Plant shall equal the balance of Central Maine's Investment in Meter Plant.

(b) Meter Related General Plant shall equal the balance of Central Maine's General Plant multiplied by the Meter Wages and Salaries Allocation Factor.

- (c) Meter Related Depreciation Reserve shall equal Central Maine's Meter Plant Depreciation Reserve plus the General Plant Depreciation Reserve multiplied by the Meter Wages and Salaries Allocation Factor.
- (d) Meter Related Accumulated Deferred Taxes shall equal Central Maine's electric balance of Accumulated Deferred Income Taxes multiplied by the Meter Plant Allocation Factor.
- (e) Meter Related Other Regulatory Assets/Liabilities shall equal Central Maine's electric balance of any deferred recovery of FAS 106 expenses multiplied by the Meter Wages and Salaries Allocation Factor, plus Central Maine's electric balance of FAS 109 multiplied by the Meter Plant Allocation Factor.
- (f) Meter Related Prepayments shall equal Central Maine's electric balance of prepayments multiplied by the Meter Wages and Salaries Allocation Factor.
- (g) Meter Related Materials and Supplies shall equal Central Maine's electric balance of Plant Materials and Supplies, multiplied by the Meter Plant Allocation Factor.
- (h) Meter Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Meter Operation and Maintenance Expense and Meter Related Administrative and General Expense.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) Central Maine's Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

- (a) The Weighted Cost of Capital will be calculated based upon the capital structure at the end of each year and will equal the sum of:
 - (i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity, including unamortized discounts and premiums, and unamortized losses and gains on reacquired debt, and the ratio that long-term debt is to Central Maine's total capital.

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of Central Maine's preferred stock then outstanding and the ratio that preferred stock is to Central Maine's total capital.

(iii) the return on equity component, which equals the product of Central Maine's Return on Equity of 10.57% and the ratio that common equity is to Central Maine's total capital.

(b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.D. below, C is the equity AFUDC component of Meter Depreciation Expense, as defined in II.B., and D is Meter Investment Base, as determined in II.A.1., above.

(c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.D. below, C is the equity AFUDC component of Meter Depreciation Expense, as defined in II.B., D is the Meter Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.1.(b) above.

B. Meter Related Depreciation Expense shall equal the sum of the Meter Plant Depreciation Expense and the Meter Related General Plant Depreciation Expense multiplied by the Meter Wages and Salaries Allocation Factor.

- C. **Meter Related Amortization of Investment Tax Credits** shall equal Central Maine's electric Amortization of Investment Tax Credits multiplied by the Meter Plant Allocation Factor.
- D. **Meter Related Municipal Tax Expense** shall equal Central Maine's total electric municipal tax expense multiplied by the Meter Plant Allocation Factor.
- E. **Meter Related Payroll Tax Expense** shall equal Central Maine's total electric payroll tax expense multiplied by the Meter Wages and Salaries Allocation Factor.
- F. **Meter Operation and Maintenance Expense** shall equal Central Maine's Operation and Maintenance Expenses recorded in FERC Account Nos. 586 and 597.
- G. **Meter-Related Administrative and General Expenses** shall equal the sum of (1) Central Maine's Administrative and General Expenses multiplied by the Meter Wages and Salaries Allocation Factor, (2) Property Insurance multiplied by the Meter Plant Allocation Factor, and (3) Expenses included in Account 928 related to FERC Assessments not otherwise directly assigned under Attachment G of this Schedule 21-CMP, multiplied by the Meter Plant Allocation Factor, plus any other Federal and State meter related expenses or assessments, plus specific meter related expenses included in Account 930.1.

III. CALCULATION OF THE MONTHLY METERING CARRYING CHARGE:

Each of the Schedule 13 Meter Investment Base and Meter Revenue Requirement formula components, II.A.1.(a) through II.A.1.(h), and II (A) through II (G), respectively, will be classified as either capital related or O&M related or related to both capital and O&M. Formula components related to both capital and O&M will be assigned based on the amount of gross plant classified to each category except for II.A.1.(a) Return and Associated Taxes. The capital related portion of Return and Associated Taxes shall equal the product of the sum of the capital related meter investment base components and the Cost of Capital Rate. The O&M related portion of Return and Associated Taxes shall equal the product of the sum of the O&M related meter investment base components and the Cost of Capital Rate.

Meter Investment Base formula components II.A.1.(a) and II.A.1.(c) excluding depreciation reserve associated with general plant are capital related, while II.A.1.(b), II.A.1.(c) less meter plant depreciation reserve, the FAS106 portion of II.A.1.(e), and components II.A.1.(f) through II.A.1.(h) are O&M related.

Meter Investment Base components II.A.1.(d) and the FAS 109 portion of II.A.1.(e), relate both to capital and O&M.

Meter Revenue Requirement component II.(B) excluding meter plant depreciation expense and components II(D) through II(G) are O&M related, while II(C), Amortization of Investment Tax Credits is related both to capital and O&M. The meter depreciation expense portion of II.(B) is excluded from the determination of the capital related carrying charge. Actual depreciation will be tracked for each Direct Assignment Facility and charged separately each month pursuant to this Schedule.

The annual capital related carrying charge is the sum of the capital related revenue requirement components expressed as a percentage of Central Maine's total net investment in Meter Plant. The monthly capital related carrying charge will be one-twelfth of the annual capital related carrying charge. The monthly capital related carrying charge will be applied to the net investment in Meter Plant directly assigned to the Transmission Customer to determine the monthly capital related charge. The monthly capital related charge plus the actual monthly depreciation for the Transmission Customers' Direct Assignment Facilities represents the total monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services.

The annual O&M related carrying charge is the sum of the O&M related revenue requirement components expressed as a percentage of Central Maine's total gross investment in Meter Plant. Gross investment in Meter Plant for purposes of this Schedule, shall reflect the investment in meter facilities for which Central Maine has received a contribution to capital or a contribution in aid of construction. Only the O&M related carrying charge is applicable in cases where the Transmission Customer has paid Central Maine for the capitalized cost of the meter plant.

The monthly O&M related carrying charge will be one-twelfth of the annual O&M related carrying charge. The monthly O&M related carrying charge will be applied to the gross investment in meter plant directly assigned to the Transmission Customer to determine the monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services.

SCHEDULE 14

MONTHLY CARRYING CHARGE FOR DIRECT ASSIGNMENT FACILITIES

Each of the Attachment G Transmission Investment Base and Transmission Revenue Requirement formula components, II.A.1.(a) through II.A.1.(i), and II (A) through II (G), respectively, will be classified as either capital related or O&M related or related to both capital and O&M. Formula components related to both capital and O&M will be assigned based on the amount of gross plant classified to each category except for II.A.1.(a) Investment Return and Associated Taxes. The capital related portion of Investment Return and Associated Taxes shall equal the product of the sum of the capital related investment base components and the Cost of Capital Rate. The O&M related portion of Investment Return and Associated Taxes shall equal the product of the sum of the O&M related investment base components and the Cost of Capital Rate.

Transmission Investment Base formula components II.A.1.(a), II.A.1.(c), and II.A.1.(d) excluding depreciation reserve and accumulated amortization associated with general and intangible plant are capital related, while II.A.1.(b), II.A.1.(d) less transmission plant depreciation reserve, the FAS106 portion of II.A.1.(f), and components II.A.1.(g) through II.A.1.(i) are O&M related. Transmission Investment Base components II.A.1.(e) and the FAS 109 portion of II.A.1.(f), relate both to capital and O&M.

Transmission Revenue Requirement component II.(B) excluding transmission depreciation expense and components II.(D) through II.(G) are O&M related, while II.(C), Amortization of Investment Tax Credits is related both to capital and O&M. The transmission plant depreciation portion of II.(B) is excluded from the determination of the capital related carrying charge. Actual depreciation will be tracked for each Direct Assignment Facility and charged separately each month pursuant to this Schedule.

The annual capital related carrying charge is the sum of the capital related revenue requirement components expressed as a percentage of Central Maine's total net investment in Transmission plant, excluding the balance associated with generator leads and generator step-up transformers in Central Maine's Transmission Plant accounts for test periods beginning with the calendar year 1999 and thereafter. The monthly capital related carrying charge will be one-twelfth of the annual capital related carrying charge. The monthly capital related carrying charge will be applied to the net investment in transmission plant directly assigned to the Transmission Customer to determine the monthly capital related charge. The monthly capital related charge plus the actual monthly depreciation for the Transmission Customers' Direct Assignment Facilities represents the total monthly charge for this

service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services.

The annual O&M related carrying charge is the sum of the O&M related revenue requirement components expressed as a percentage of Central Maine's total gross investment in Transmission Plant, excluding the balance associated with generator leads and generator step-up transformers in Central Maine's Transmission Plant accounts for test periods beginning with the calendar year 1999 and thereafter. Gross investment in transmission plant for purposes of this Schedule, shall reflect the investment in transmission facilities for which Central Maine has received a contribution to capital or a contribution in aid of construction. Only the O&M related carrying charge is applicable in cases where the Transmission Customer has paid Central Maine for the capitalized cost of the transmission plant.

The monthly O&M related carrying charge will be one-twelfth of the annual O&M related carrying charge. The monthly O&M related carrying charge will be applied to the gross investment in transmission plant directly assigned to the Transmission Customer to determine the monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services.

When applicable, wholesale Transmission Customers will pay the carrying charge calculated as described above based on the Attachment G-W formula. The carrying charge for retail Transmission Customers will be calculated as described above based on the Attachment G-R formula, and, in addition to the O&M related revenue requirement components described above, will include Attachment G-R revenue requirement component II. (M) to reflect transmission related Customer Service and Informational Expenses and Sales Expenses.

ATTACHMENT C-CMP

Methodology To Assess Available Transfer Capability

1 Introduction

ISO is the regional transmission organization (“RTO”), serving the New England Control Area. ISO is responsible for the development, oversight, and fair administration of New England’s wholesale market, management of the bulk electric power system and wholesale markets planning processes. The ISO serves as the Balancing Authority for the New England Control Area. The New England Control Area is comprised of PTF, Non-PTF, OTF, MTF, and is interconnected to three neighboring Balancing Authority Areas (“BAA”) with various interface types.

As part of its RTO responsibilities, the ISO is registered with the North American Electric Reliability Corporation (“NERC”) as several functional model entities that have responsibilities related to the calculation of ATC as defined in the following NERC Standards: MOD-001 – Available Transmission System Capability (“MOD-001”), MOD-004 – Capacity Benefit Margin (“MOD-004”), and MOD-008 – Transmission Reliability Margin Calculation Methodology (“MOD-008”). The extent of those responsibilities is based on various Commission approved transmission operating agreements and the provisions of the ISO New England Operating Documents.

While the ISO is the Transmission Provider of RNS and Through or Out Service over PTF, certain Participating Transmission Owners (“PTOs”) also provide local Transmission Service over Non-PTF within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Service provided under Schedule 21. CMP is a Transmission Provider of Local Service under Schedule 21-CMP in accordance with the Transmission Operating Agreement (“TOA”). Pursuant to CFR§37.6(b) of the FERC Regulations which states the available transfer capability on the Transmission Provider’s system (ATC) and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path. The Transmission Provider’s are obligated to calculate and post TTC and ATC for each Posted Path accordingly.

As stated in §37.6(b)(1)(i) Posted Path means any control area to control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted. For this last category, the posting must

continue for 180 days and thereafter until 180 days have elapsed from the most recent request for service over the requested path. For purposes of this definition, an hour includes any part of any hour during which service was denied, curtailed or interrupted.

Non-PTF facilities are primarily radial paths that provide Transmission Service directly to interconnected generators. It is possible, in the future that a particular path may interconnect more nameplate capacity generation than the path's TTC. However, for CMP's Non-PTF modeled by the ISO or the Local Control Center ("LCC"), the ISO or the LCC will only dispatch an amount of generation interconnected to such path so as not to incur a reliability violation on the subject path consistent with ISO's economic, security constrained dispatch methodology.

CMP does not currently have a Posted Path based on the above definition. However, should CMP have any Posted Path(s) in the future, CMP will calculate TTC using NERC MOD-029-1 Rated System Path Methodology as outlined below.

1.1 Scope of Document

The scope of this document is limited to the following functions performed by CMP as the Transmission Provider of Local Point-to Point Transmission Service over Non-PTF pursuant to this Schedule 21-CMP, the TOA, and the ISO OATT:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitment (ETC)
- Use of Rollover Rights (ROR) in the calculation of ETC

As explained in Section 2, TTC and ATC are required to be calculated only for certain Non-PTF internal Posted Paths over which Local Point-to-Point Transmission Service is provided under Schedule 21-CMP. TTC and ATC is not calculated by CMP for Local Network Service because ISO employs a market model for economic, security constrained dispatch of generation, and advanced reservations are not required for network service.

2 Transmission Service in the New England Markets

Since the inception of the OATT for New England, the process by which generation located inside New England supplies energy to the bulk electric system has differed from the Commission pro forma OATT. The fundamental difference is that internal generation is dispatched in an economic, security constrained manner by the ISO rather than utilizing a system of physical rights, advance reservations and point-to-point Transmission Service. Through this process, internal generation provides offers that are utilized by the ISO in the Real-Time Energy Market dispatch software. This process provides the least-cost dispatch to satisfy Real-Time load on the system.

In addition to offers from generation within New England, entities may submit External Transactions to move energy into the New England Control Area, out of the New England Control Area or through the New England Control Area. The Real-Time Energy Market clears these External Transactions based on forecast Locational Marginal Pricing (LMPs) and the transfer capability of the associated external interfaces. With those External Transactions in place, the Real-Time Energy Market dispatches internal generation in an economic, security constrained manner to meet Real-Time load within the region. This process for submitting External Transactions into the Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of the economic External Transactions is greater than the transfer capability of the associated external interface, the External Transactions selected to flow are selected based on the rules specified in the Tariff. For any External Transactions that are confirmed to flow in Real-Time based on the economics of the system, a transmission reservation for RNS and Through or Out Service is created after-the-fact to satisfy the transparency needs of the market.

The process described above is applicable to the PTF within the ISO Area, and non-PTF local facilities utilized for Local Network Service by generation or load. However, CMP provides service over Non-PTF over which advance Transmission Service reservations for firm or non-firm Transmission Service may be required. On those local facilities, the market participant must obtain a Transmission Service reservation under Schedule 21-CMP prior to delivery of energy into the New England Wholesale Market. This document addresses the calculation of ATC and TTC for the non-PTF internal paths.

3 Total Transfer Capability (TTC)

The Total Transfer Capability (TTC) is the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected Transmission Systems by way of all transmission lines (or paths) between those areas under specified system conditions. TTC for Schedule

21-CMP is calculated using NERC Standard MOD-029-1 Rated System Path Methodology and posted on the CMP OASIS site.

CMP will calculate and post TTC on OASIS for all Non-PTF Posted Paths that are eligible for Local Point-to-Point Transmission Service reservations. The TTC on CMP's Non-PTF eligible for Local Point-to-Point Transmission Service reservations are relatively static values. CMP thus calculates the TTC for Non-PTF Posted Paths equal to the rating of the particular transmission path.

4 Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the load serving entities. The ISO does not set aside any CBM for use by the load serving entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load serving entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with ISO Tariff, Section III.13.7.3.1 (Calculation of Capacity Requirement and Capacity Load Obligation). Load serving entities do not utilize CBM to ensure that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of CMP's ATC calculation and because CBM for the New England Control Area is set to zero (0), CMP utilizes a zero (0) CBM value.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those confirmed Firm transmission reservation (PTP_F) plus any rollover rights for Firm transmission reservations (ROR_F) that have been exercised. There are no allowances necessary for Native Load forecast commitments (NL_F), Network Integration Transmission Service (NITS_F), grandfathered Transmission Service (GF_F) and other service(s), contract(s) or agreement(s) (OS_F) to be considered in the ETC_F calculation.

Existing Transmission Commitments, Non-Firm(ETC_{NF})

The (ETC_{NF}) are those confirmed Non-Firm transmission reservations (PTP_{NF}). There are no allowances necessary for Non-Firm Network Integration Transmission Service (NITS_{NF}), Non-Firm grandfathered Transmission Service (GF_{NF}) or other service(s), contract(s) or agreement(s) (OS_{NF}).

5 Transmission Reliability Margin (TRM)

TRM is the amount of transmission transfer capability set aside to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. It is used only for external interfaces under the New England market design. CMP does not have any external interfaces, and therefore TRM for CMP's Non-PTF is zero.

6 Calculation of ATC for CMP's Local Facilities - General Description

NERC Standards MOD-001-1 – Available Transmission System Capability and MOD-029-1 – Rated System Path Methodology define the required items to be identified when describing a Transmission Provider's ATC methodology. As a practical matter, the ratings of the Non-PTF radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, Transmission Services over these posted paths are considered to be always available.

Common practice is not to calculate or post firm and non-firm ATC values for CMP's Non-PTF described above, as ATC is positive and listed as 9999. Transmission Customers are not restricted from reserving firm or non-firm Transmission Service on CMP's Non-PTF.

As Real-Time approaches, the ISO utilizes the Real-Time energy market rules to determine which of the submitted energy transactions will be scheduled in the coming hour. Basically, the ATC of the Non-PTF in the New England market is almost always positive. With this simplified version of ATC, there is no detailed algorithm to be described or posted. Thus, for those Non-PTF facilities that serve as a path for the CMP Schedule 21-CMP Local Point-to-Point Transmission Customers, CMP has posted the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it is posted with an ATC of "9999" to reflect the fact that there are no restrictions on these paths for commercial transactions.

6.1 Calculation of Firm ATC (ATC_F)

6.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment C PH is any period before the Operating Horizon.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TRM, CBM, ETC_F , $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM are zero. Firm Transmission Service over Schedule 21-CMP that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-CMP transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F .

6.1.2 Calculation of ATC_F in the Operating Horizon (OH)

For purposes of this Attachment C OH is noon eastern prevailing time each day. At that time, the OH spans from noon through midnight of the next day for a total of 36 hours. As time progresses the total hours remaining in the OH decreases until noon the following day when the OH is once again reset to 36 hours.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for ETC_F , CBM, TRM, $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM is zero. Daily Firm Transmission Service over Schedule 21-CMP is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Schedule 21-CMP transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F .

6.1.3 Firm Transmission Service is not offered in the Scheduling Horizon (SH) therefore ATC_F in the SH is zero.

6.2 Calculation of Non-Firm ATC (ATC_{NF})

6.2.1 Calculation of ATC_{NF} in the PH

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for ETC_F , ETC_{NF} , scheduled CBM (CBM_S), unreleased TRM (TRM_U), Non-Firm Postbacks ($Postbacks_{NF}$) and Non-Firm counterflows ($counterflows_{NF}$).

As discussed above, the TRM and CBM for Schedule 21-CMP are zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U , $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-CMP transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the PH is equal to the TTC minus ETC_F and ETC_{NF} .

6.2.2 Calculation of ATC_{NF} in the OH

ATC_{NF} available in the OH includes: Daily and Hourly.

As discussed above TRM and CBM for Schedule 21-CMP are zero. TRM_U , $counterflows_{NF}$ and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F , and ETC_{NF} plus postbacks $Postbacks_{NF}$.

6.3 Negative ATC

As stated above, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, Transmission Services over these posted paths are considered to be always available. The Non-PTF facilities are primarily radial paths that provide Transmission Service to directly interconnected generators.

It is possible, in the future that a particular radial path may interconnect more nameplate capacity generation than the path's TTC. However, for CMP's Non-PTF modeled by ISO or the LCC, the ISO will only dispatch an amount of generation interconnected to such path so as not to incur a reliability or stability violation on the subject path consistent with ISO's economic, security constrained dispatch methodology. Therefore, ATC in the PH, OH and SH may become zero, but will not become negative.

7 Posting of ATC

7.1 Location of ATC Posting

ATC values are posted on CMPs OASIS site in accordance with NAESB Standards.

7.2 Updates To ATC

When any of the variables in the ATC equations change, the ATC values are recalculated and immediately posted.

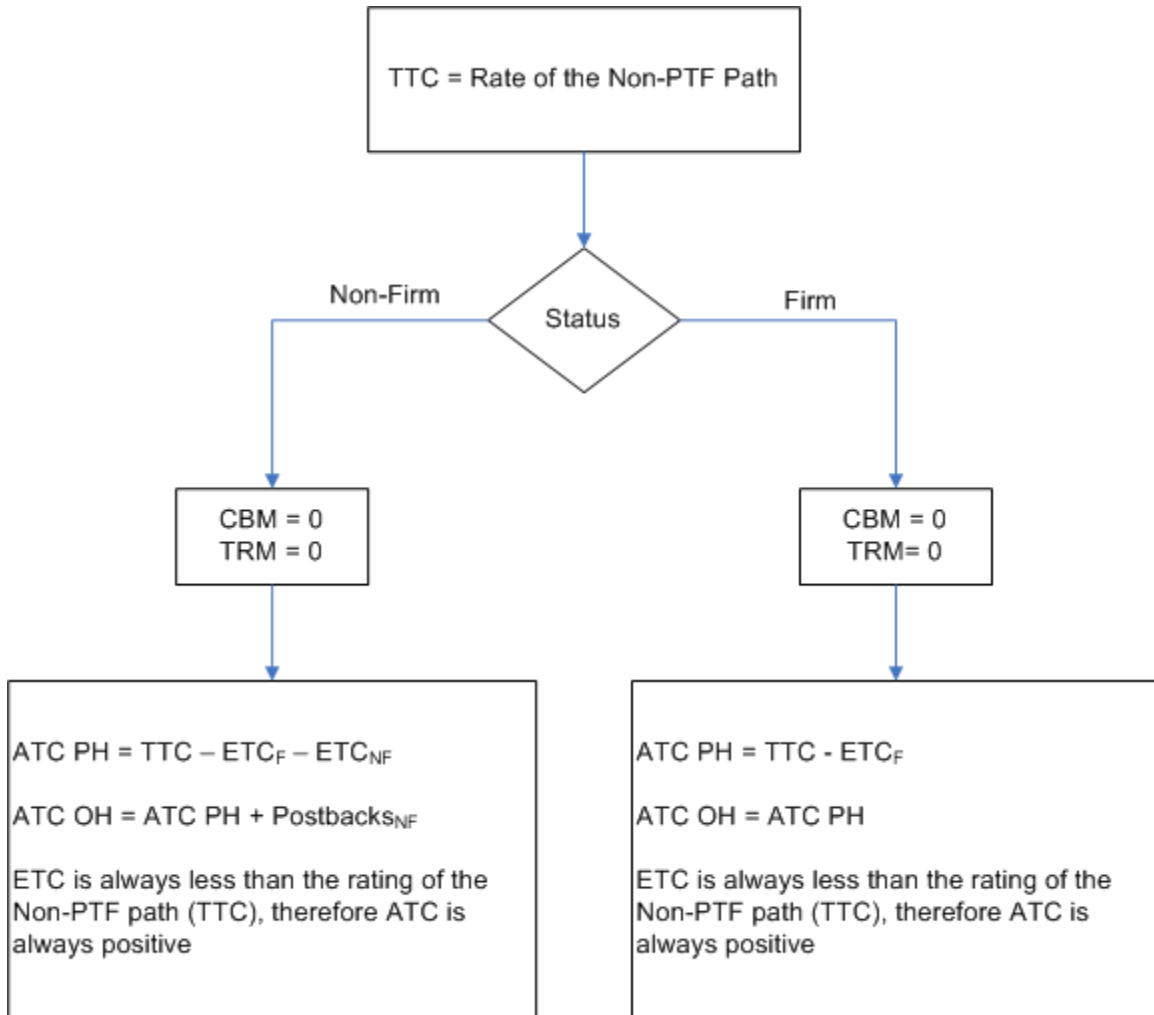
7.3 Coordination of ATC Calculations

Schedule 21-CMP non-PTF has no external interfaces. Therefore it is not necessary to coordinate the values.

7.4 Mathematical Algorithms A link to the actual mathematical algorithm for the calculation of ATC for CMP's non-PTF internal interfaces is located on CMP's website at

<http://www/cmppo.com/SuppliersAndPartners/TransmissionServices/CMPTransmissionSvc/CMPDownloads.html>

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT D

Methodology for Completing a System Impact Study

Central Maine (or its Designated Agent) may require System Impact Studies for the purpose of determining the feasibility of providing Transmission Service under this Schedule 21. All System Impact Studies will be coordinated with the Control Area Operator and completed using the same method employed by Central Maine to provide Transmission Service to its Affiliate customers. System Impact Studies associated with a request from an Eligible Generator Customer for Interconnection Service shall be performed at the direction of the Control Area Operator. Specifically, System Impact Studies will be performed by applying NPCC Criteria and the “Reliability Standards of ISO,” or its successor, while assuring that Central Maine’s Native Load Customers and those loads directly interconnected to the Central Maine Transmission System that are receiving Transmission Service can be served economically and reliably. All of the criteria, standards, and guidelines referenced above are included as part of the annual FERC Form 715 filing of Central Maine.

ATTACHMENT F
Local Network Operating Agreement

This Local Network Operating Agreement is part of Schedule 21 and is subject to and in accordance with all provisions of said Schedule 21. All definitions and terms and conditions of this Schedule 21-CMP are incorporated herein by reference.

1.0 General Terms and Conditions

Central Maine agrees to provide Local Network Transmission Service to the Transmission Customer subject to the Transmission Customer operating its facilities in accordance with applicable Central Maine, or its Affiliates, Control Area Operator, NERC and NPCC criteria, rules, standards, procedures or guidelines as they may be changed from time to time. In addition, service to the Transmission Customer is provided subject to the terms and conditions contained herein.

1.1 Character of Service

All Local Network Transmission Service shall be in the form of three-phase sixty (60) hertz alternating current at a delivery voltage agreed to by both parties.

1.2 Maintenance Scheduling

Central Maine shall consult the Transmission Customer regarding the timing of any scheduled maintenance of the Transmission System that would affect service to the Transmission Customer.

1.3 Information Requirements

The Transmission Customer shall be responsible for providing all information required by the Control Area Operator and Central Maine necessary for planning, operations, maintenance and regulatory filings.

This information may include, but not be limited to:

Load related data:

- Ten (10) year forecast of Local Network Load at each delivery point.
- Power factor performance.
- Amount of interruptible load under contract, including interruption terms.
- Load shedding capability by delivery point.
- Capability to shift load between delivery points.

- Disturbance reports.
- Results of periodic metering and protection equipment tests and calibration.
- Planned changes to interconnection equipment.
- Voltage reduction capability.

Network Resources and interconnected generation:

- Resource operating characteristics, including ramp rate limits, minimum run times, etc.
- Ten year forecast of resource additions, retirements and capability changes.
- Generator reactive capability.
- Results of periodic metering and protection equipment tests and calibration.

Failure of the Transmission Customer to respond promptly and completely to Central Maine's reasonable request for information shall result in a fine of \$100 per day payable to Central Maine. Continued failure to respond shall constitute default.

In addition to the types of information shown above, the Transmission Customer shall supply accurate and reliable operating information to Central Maine. Such information might include, but not be limited to, metered values for kWh, kW, KVAR, voltage, current, frequency, breaker status data and all other data necessary for reliable operation. Central Maine can require such information to be provided electronically using a method such as Supervisory Control And Data Acquisition (SCADA), Remote Terminal Units (RTU), remote access metering or be capable of interfacing directly with Central Maine's dispatch computer system. All equipment used for such purposes must be approved by Central Maine.

1.4 Operating Requirements

The Transmission Customer shall not conduct any switching or other activity likely to affect Central Maine's system without first contacting and receiving permission from Central Maine.

The Transmission Customer shall carry out all switching orders from Central Maine, the Control Area Operator, or a Designated Agent of either, in a timely manner.

The Transmission Customer shall operate all of its equipment and facilities connected to Central Maine's Transmission System, either directly or indirectly, in a safe, reliable and efficient manner. Such

operations shall also conform to Good Utility Practice and all requirements and guidelines of Central Maine, the Control Area Operator, NERC and NPCC.

1.5 Discontinuance of Service

If at any point in time, it is Central Maine's judgment that the Transmission Customer is operating its equipment in a manner that would adversely impact the quality of service, reliability or safe operation of Central Maine's system, it may discontinue Transmission Service until the condition has been corrected.

If it is Central Maine's or the Control Area Operator's judgment that an emergency exists or that significant adverse impact is imminent, service to the Transmission Customer may be discontinued without notice. Otherwise, Central Maine or the Control Area Operator shall provide the Transmission Customer with reasonable notice of any intent to discontinue service. When practical, Central Maine will also allow suitable time for the Transmission Customer to correct the problem.

1.6 Required Equipment

The Transmission Customer will install, maintain and repair all interconnection equipment at its expense.

1.7 Emergency Operations

The Transmission Customer shall be subject to all applicable emergency operation standards and practices required of Central Maine to operate in an interconnected regional power pool. For Local Network Customers that are not members of ISO, Central Maine reserves the right to require such customers to provide their fair share of actions required under ISO Operating Procedure No 4: Action During a Capacity Deficiency, ISO Operating Procedure No. 7: Action in an Emergency and ISO Operating Procedure No. 14: Action During Extremely Light Load Conditions.

These actions might include, but are not limited to, running generation at maximum or minimum capability, voltage reduction, load shedding, transferring load between Points of Delivery, public appeals for load reduction, implementation of interruptible load programs and starting stand-by and idle generation.

2.0 Metering

Central Maine will provide Local Network Service to each Point of Delivery specified in the Transmission Customer's Service Agreement. Each Point of Delivery shall have a unique identifier, meter location and meter number.

2.1 Equipment

All metering equipment and installations used to measure energy and capacity delivered to the Transmission Customer must be approved by Central Maine. All Local Network Customers shall be required to have installed appropriate metering to determine such Backyard Generation. Central Maine may require the installation of telemetering equipment for the purposes of billing, power factor measurements and to allow Central Maine to operate its system reliably and efficiently. All such equipment will be installed and maintained at the Transmission Customer's expense.

All meters shall be capable of measuring the instantaneous kW within each hour, net flow in kWh and reactive power flow.

2.2 Seals

All meters shall be sealed, and the seals shall not be broken without prior approval by Central Maine.

2.3 Access

The Transmission Customer shall provide access, including telecommunications access, for a representative of Central Maine, to the meters at reasonable times for the purposes of reading, inspecting, and testing. Central Maine shall use its best efforts not to interfere with normal business operations.

2.4 Calibration and Maintenance

Unless otherwise mutually agreed, the meters shall not be tested or recalibrated or any of the connections, including those of the transformers, disturbed or changed except in the presence of duly authorized representatives of Central Maine and the Transmission Customer or under Emergency Conditions or unless either party, after reasonable notice fails or refuses to have its representatives present.

2.5 Testing

Central Maine will make tests of the metering equipment using Central Maine's standards of accuracy and procedures. Central Maine shall notify the Transmission Customer prior to conducting any metering tests, and the Customer may observe the test. If the meter is found to be inaccurate or otherwise defective, it shall be repaired, adjusted, or replaced at the Transmission Customer's expense.

3.0 Interconnection Equipment

The Transmission Customer's interconnection equipment shall meet all standards of Good Utility Practice.

3.1 Cost

Central Maine will not bear any costs of the interconnection, including any changes as required by this Agreement. The cost of Direct Assignment Facilities will be paid in accordance with this Schedule 21 and the Service Agreement. In the event that Central Maine would incur any expense in connection with the Direct Assignment Facilities, prior to Central Maine incurring any such expense, the Transmission Customer shall be responsible for forwarding to Central Maine funds sufficient to cover that expense, as estimated by Central Maine, including any tax liability for contribution in aid of construction. Central Maine will provide the customer with the actual expenses associated with the funding of Direct Assignment Facilities within sixty (60) days of completion of construction. Adjustments will be made within thirty (30) days thereafter.

3.2 Inspection

Central Maine may inspect the Transmission Customer's interconnection equipment to determine if all standards of Good Utility Practice are met. Central Maine shall not be required to deliver to, or receive electricity from, the Transmission Customer until those requirements are met.

3.3 New Resources

The Transmission Customer shall not connect any generators after the execution of this agreement without first informing Central Maine in writing one-hundred-twenty (120) days in advance of any such connection, except that any such generation not requiring approval the RTO-NE, shall not be connected without sixty (60) days prior notice in writing. Any third party generating facilities connected after the date of the execution of this agreement shall comply with Central Maine's then-existing Technical Interconnection Requirements for Non-Utility Generation as it applies to generation connected directly to the Central Maine system. The Transmission Customer shall be responsible to ensure compliance with these requirements.

In the event that the Transmission Customer or any third party generating facilities incorporate a synchronous generator after the date of the execution of this Local Network Operating Agreement, the Transmission Customer shall furnish, install and maintain equipment necessary to establish and maintain synchronism with Central Maine's system.

3.4 Protection Equipment

In order to protect Central Maine's system from damage, to minimize the likelihood of injury to operating personnel and third parties, and to allow Central Maine to maintain service to its non-generating customers in the event the Transmission Customer's system encounters operating difficulties, the Transmission Customer shall at its expense, provide, install, and maintain the following equipment insofar as required by Good Utility Practice and, after consultation with Central Maine:

- A. A three-phase, gang-operated, load-break, lockable main disconnect switch that allows isolation of the Transmission Customer's facilities from Central Maine's system.

- B. An automatic circuit breaker activated by a D.C. power source independent of both Central Maine's and the Transmission Customer's A.C. voltage source which can be tripped by the protective relay system under all system conditions. The circuit breaker must also be suitable for use in synchronizing generation on the Transmission Customer system to Central Maine's system.

- C. Under-frequency and over-frequency protective relays to be used in conjunction with the required automatic circuit breaker.

- D. Under-voltage and over-voltage protective relays to be used in conjunction with the required automatic circuit breaker.

- E. Over-current protective relays to be used in conjunction with the required automatic circuit breaker.

- F. Potential and current transformers to be used for the above relaying, sized and connected as approved by Central Maine.

- G. Such other equipment as may be reasonably required by Good Utility Practice, as recommended by Central Maine.

- H. The Transmission Customer shall provide to Central Maine complete documentation of the Transmission Customer's interconnection equipment, including, but not limited to, power one-line diagrams, relaying diagrams, plans, sectional and elevation views, grading plans, conduit plans, foundation plans, fence and grounding plans and detailed steel erection diagrams. In addition, the

Transmission Customer agrees to provide to Central Maine complete documentation of any changes to the Transmission Customer's Interconnection equipment.

I. The protective relay system required to detect faults on Central Maine's system and the breaker required to disconnect the Transmission Customer's generation to protect the general public and Central Maine's personnel must be approved by Central Maine. Central Maine shall provide relay settings and recommendations for design, equipment selection, and routine maintenance. The Transmission Customer shall purchase, install, and maintain the protective relay system, and maintain and make available to Central Maine all maintenance and test records. Central Maine shall perform functional test(s), at reasonable intervals, of the protective relay system to determine whether the system functions in a manner acceptable to Central Maine and shall notify the Transmission Customer in writing of the test results. The Transmission Customer shall bear the cost of this testing and any other assistance that may be requested of Central Maine before and after the system is made operational.

J. The Transmission Customer shall, at its own expense, repair and maintain its protective relay system and any other equipment owned or operated by the Transmission Customer.

3.5 Maintenance and Modifications To The Interconnection

A. The Transmission Customer shall repair and maintain during the term hereof all of the Transmission Customer's interconnection equipment on the Transmission Customer's side of the visible disconnect that isolates the Transmission Customer's facilities from Central Maine's system, in accordance with established practices and standards for the operation and maintenance of power system equipment.

B. The Transmission Customer shall maintain its own generation in accordance with Good Utility Practice. The Transmission Customer shall ensure that all third party generation facilities connected to the Transmission Customer system is maintained in accordance with Central Maine's Technical Interconnection Requirements for Non-Utility Generation.

C. The Transmission Customer shall arrange with Central Maine an initial functional testing and inter-tie inspection, to be completed prior to the effective date of this agreement. In addition, the Transmission Customer shall arrange with Central Maine for an annual, visual inspection of all interconnection facilities and associated maintenance records. Every two years, the Transmission

Customer shall arrange a relay calibration test and operational test of the Transmission Customer's interconnection equipment. The relay calibration test must be performed by a qualified contractor approved by Central Maine and acceptable to the Transmission Customer or by Central Maine itself. After the relay calibration tests are completed, Central Maine may perform a relay system functional test. The Transmission Customer shall bear the cost of any relay testing and any other assistance that may be requested by Central Maine before and after the system is made operational.

D. Before May 1 of each year, Central Maine shall provide the Transmission Customer with recommended dates for scheduling maintenance of the Transmission Customer's generating facilities and third party generating facilities greater than 5 MW and the Transmission Customer transmission facilities operating at 34.5 Kv or greater. The Transmission Customer shall provide to Central Maine on or before June 1 of each year a list of periods, in order of preference and in accordance with Central Maine's recommended dates, during which the Transmission Customer prefers to schedule maintenance during the subsequent calendar year. If Central Maine does not provide the Transmission Customer with recommended dates before May 1 of any year, the Transmission Customer shall nonetheless provide Central Maine on or before June 1 of that year, a list of periods, in order of preference, in which the Transmission Customer prefers to schedule maintenance during the subsequent calendar year, and Central Maine will attempt to accommodate the Transmission Customer's proposed schedule of maintenance periods if Central Maine can do so without adverse operational or economic effect on ISO, Central Maine or its customers. By July 1 of each year, the Transmission Customer and Central Maine will agree on maintenance periods for the interconnection equipment.

E. If Central Maine in its reasonable judgment determines that the Transmission Customer's interconnection equipment is, in any substantial respect, being maintained otherwise than in accordance with Good Utility Practice, Central Maine may so notify the Transmission Customer in writing. Within thirty (30) days of the date of notification, the Transmission Customer shall conform its maintenance practices to the requirements of Good Utility Practice and of this agreement. In the event that the Transmission Customer fails to bring its maintenance practices into conformance with the requirements of Good Utility Practice within that thirty (30) day period, Central Maine may de-energize the interconnection between the Transmission Customer and Central Maine until the Transmission Customer has conformed its maintenance practices as provided herein.

F. The Transmission Customer shall give Central Maine adequate written notice of any modification or replacement of the Transmission Customer's interconnection equipment. All additions, modifications

or replacements must meet the requirements of this agreement and all standards of Good Utility Practice. If the Transmission Customer makes changes without notice to Central Maine, and if Central Maine has reasonable cause to believe that the changes may create dangerous conditions, Central Maine may de-energize the interconnection between the Transmission Customer and Central Maine.

G. The Transmission Customer, at its expense, shall change the Transmission Customer's interconnection equipment as may be reasonably required by Central Maine or as may otherwise be required to conform to Good Utility Practice to meet changing requirements of Central Maine's system.

H. In the event that de-energization of the interconnection is required by the provisions of this agreement, Central Maine will only de-energize the interconnection at the affected Point or Points of Delivery.

4.0 Power Factor

To prevent degradation of voltage to Central Maine's customers, to prevent unnecessary system losses, and to maintain Central Maine voltage levels and area reactive support, the Transmission Customer shall maintain a 97% or higher power factor. Should Central Maine be required to maintain a higher level than 97%, the Transmission Customer shall be required to do so as well. Failure by the Transmission Customer to maintain acceptable power factor may result in additional Direct Assigned Facilities charges associated with installing any equipment needed to maintain the designated power factor.

5.0 Voltage Control

The Transmission Customer's automatic voltage control equipment shall ensure that no more than a 3% instantaneous variation in voltage shall occur at the interconnection during connection or disconnection of a synchronous generator, an induction generator, or any motor load or capacitor.

6.0 Harmonics

The Transmission Customer must operate and maintain its system in a manner that avoids the generation of harmonic frequencies exceeding the limits established by the latest revision of IEEE-519 Recommended Practices and Requirements for Harmonics Control in Electrical Power Systems.

7.0 Default

The Transmission Customer's failure to meet the terms and conditions of the agreement shall be deemed to be a default resulting in Central Maine seeking, consistent with FERC rules and regulations, immediate termination of service.

ATTACHMENT G-R

FORMULA FOR CALCULATING ANNUAL RETAIL TRANSMISSION REVENUE REQUIREMENTS UNDER THE CENTRAL MAINE POWER COMPANY LOCAL SERVICE SCHEDULE, Schedule 21-CMP

This formula sets forth the details for determining each year's Annual Transmission Revenue Requirement for Central Maine Power Company (Central Maine). The Transmission Revenue Requirement reflects Central Maine's cost to own, operate and maintain the transmission facilities used for providing Open Access Transmission Service to retail Transmission Customers under this Schedule 21-CMP. The Transmission Revenue Requirement will be an annual formula rate calculation, effective for an initial term commencing on the effective date established by FERC and ending on May 31, 2000, based on 1998 test year data, and updated thereafter each June 1, based on the previous calendar year's FERC Form 1 data, and based on actual data in lieu of allocated data, if specifically identified in FERC Form 1, as shown below, using end-of-year balances for each rate base item, as further set forth below. The Annual Transmission Revenue Requirement calculated pursuant to this Attachment G-R shall include a Forecasted Transmission Revenue Requirement and Annual True-up as further set forth below and calculated in accordance with Attachment K to this Schedule 21-CMP. The Annual Transmission Revenue Requirement shall include an Incremental Return and Associated Income Taxes and shall incorporate the 125 basis point incentive ROE adder granted by the FERC in Docket No. EL08-74-000 for the Maine Power Reliability Program ("MPRP") on MPRP CWIP or any other MPRP transmission investments not otherwise recoverable as Pool-Supported PTF under Attachment F of this OATT. The data used in determining the Incremental Return and Associated Taxes shall be based on actual data specifically identified in Central Maine's accounting records.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section 1 of the Central Maine Schedule 21-CMP have the following definitions:

A. ALLOCATION FACTORS

1. Transmission Wages and Salaries Allocation Factor shall equal the ratio of Transmission-related direct wages and salaries not otherwise assigned under this Schedule 21-CMP, including

those of Affiliate companies, and the wages and salaries associated with the Transmission Related Customer Service and Information Expenses and Sales Expenses to Central Maine's total direct wages and salaries excluding administrative and general wages and salaries. The wages and salaries associated with the Transmission Related Customer Service and Informational Expenses and Sales Expenses shall exclude any wages and salaries associated with state-mandated programs, activities, and services.

2. Transmission Network Allocation Factor shall equal the ratio of Total Investment in Transmission Plant excluding the balance associated with generator leads and generator step up transformers in Central Maine's Transmission Plant for test periods beginning with calendar year 1999 and thereafter to Total Investment in Transmission Plant.

3. Transmission Plant Allocation Factor shall equal the ratio of the sum of Total Investment in Transmission Plant excluding the balance associated with generator leads and generator step-up transformers in Central Maine's Transmission Plant accounts for test period beginning with calendar year 1999 and thereafter, and Transmission Related General Intangible Plant to Total Plant in service.

4. Customer Service and Informational Expenses and Sales Expenses Allocation Factor shall initially equal the ratio of transmission revenue requirements (excluding such expenses) to the total company revenue requirements (excluding such expenses) Beginning with the 2001 test year, the allocation factor shall be the ratio of actual transmission revenues to total actual transmission and distribution revenues, including stranded costs.

B. TERMS

Administrative and General Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928 and 930.1.

Amortization of Investment Tax Credits shall equal Central Maine's credits as recorded in FERC Account No. 411.4.

Customer Service and Information Expenses and Sales Expenses shall equal Central Maine's expenses as recorded in FERC Account Nos. 901-916 reduced by the revenues that Central Maine receives for providing such services to energy service providers as recorded in FERC Account No. 456.

Depreciation Expense for Transmission Plant shall equal Central Maine's transmission depreciation expense as recorded in FERC Account No. 403 and shall not include any depreciation expense associated with generator leads and generator step-up transformers after March 31, 1999.

Intangible and General Plant shall equal Central Maine's gross plant balance as recorded in FERC Account Nos. 301-303 and 389-399.

Intangible and General Plant Depreciation Expense shall equal Central Maine's intangible and general expenses as recorded in FERC Account Nos. 403 and 404.

Intangible and General Plant Depreciation Reserve shall equal Central Maine's intangible and general reserve balance as recorded in FERC Account Nos. 108 and 111.

Maine Power Reliability Program Construction Work In Progress ("MPRP CWIP") shall equal Central Maine Power Company's ("CMP's") MPRP CWIP balance as recorded in FERC Account No. 107.

Other Regulatory Assets/Liabilities - FAS 106 shall equal the net of Central Maine's FAS106 balance as recorded in FERC Account 182.3 and any FAS 106 balance as recorded in Central Maine's FERC Account No. 254.

Other Regulatory Assets/Liabilities - FAS 109 shall equal the net of Central Maine's FAS 109 balance in FERC Account No. 182.3 and any FAS 109 balance as recorded in Central Maine's FERC Account No. 254.

Plant Held for Future Use shall equal Central Maine's balance in FERC Account No.105.

Prepayments shall equal Central Maine's prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal Central Maine's expenses as recorded in FERC Account No. 924.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balance as recorded in FERC Account Nos. 281-283 and the deferred tax balance as recorded in FERC Account No. 190.

Total Municipal Tax Expense shall equal Central Maine's municipal tax expenses as recorded in FERC Account Nos. 408.1.

Total Plant in Service shall equal Central Maine's total gross plant balance as recorded in FERC Account Nos. 301-399.

Total Transmission Depreciation Reserve shall equal Central Maine's transmission reserve balance as recorded in FERC Account 108, and for test years beginning with 1999 and thereafter, shall exclude any reserve balance associated with generator leads and generator step-up transformers.

Transmission Operation and Maintenance Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 560, 561.5-561.8, 562-564, the transmission-related portion of the Bolt Hill wheeling agreement as recorded in Account No. 565, and 566-573, excluding any HQ HVDC expenses booked to accounts 560 through 573 and any other expenses in support of other utilities' transmission facilities which are included in FERC Account Nos. 560-573.

Transmission Plant shall equal Central Maine's Gross Plant balance as recorded in FERC Account Nos. 350-359.

Transmission Plant Materials and Supplies shall equal Central Maine's balance as assigned to transmission, as recorded in FERC Account No. 154.

II. CALCULATION OF TRANSMISSION REVENUE REQUIREMENTS

The Transmission Revenue Requirement shall equal the sum of Central Maine's (A) Investment Return and Associated Income Taxes (including the Incremental Return and Associated Income Taxes for MPRP), (B) Transmission Depreciation Expense, (C) Transmission Related Amortization of Investment Tax Credits, (D) Transmission Related Municipal Tax Expense, (E) Transmission Operation and Maintenance Expense, (F) Transmission Related Administrative and General Expenses, (G) Transmission Related Taxes and Fees, (H) Transmission Support Expense, minus (I) Transmission Support Revenue, minus (J) ISO Transmission Revenue, minus (K) Other Wheeling Revenue, minus (L) Transmission

Rents Received from Electric Property, plus (M) Transmission Related Customer Service and Informational Expenses and Sales Expenses, plus (N) Forecasted Transmission Revenue Requirement and Annual True-up. The Incremental Return and Associated Income Taxes for MPRP shall be calculated using the Transmission Investment Base components specifically identified in Section A.1 of the formula below.

A. Investment Return and Associated Income Taxes shall equal the product of the Transmission Investment Base and the Cost of Capital Rate. To calculate the Incremental Investment Return and Associated Income Taxes for MPRP, Transmission Investment Base will only include Sections II.A.1.(a), (d), (e), and (j) in the manner indicated.

1. Transmission Investment Base

The Transmission Investment Base will be the year end balances of (a) Transmission Plant, plus (b) Transmission Related Intangible and General Plant, plus (c) Transmission Plant Held for Future Use, less (d) Transmission Related Depreciation Reserve, less (e) Transmission Related Accumulated Deferred Taxes, plus (f) Other Regulatory Assets/Liabilities, plus (g) Transmission Prepayments, plus (h) Transmission Materials and Supplies, plus (i) Transmission Related Cash Working Capital, plus (j) MPRP CWIP.

(a) Transmission Plant will equal the balance of Central Maine's Investment in Transmission Plant multiplied by the Transmission Network Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, MPRP Transmission Plant will be separately identified.

(b) Transmission Related Intangible and General Plant shall equal the sum of Central Maine's investment in Intangible and General Plant multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation.

(c) Transmission Plant Held for Future Use shall equal the balance of Transmission-related Plant Held for Future Use.

(d) Transmission Related Depreciation Reserve shall equal the balance of Total Transmission Depreciation Reserve, plus the sum of the balance of Transmission Related Intangible and General Plant Depreciation Reserve. Transmission Related Intangible and General Plant

Depreciation Reserve shall equal the product of Intangible and General Plant Depreciation Reserve and the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, Transmission Depreciation Reserve associated with MPRP will be separately identified.

(e) Transmission Related Accumulated Deferred Taxes shall equal Central Maine's electric balance of Total Accumulated Deferred Income Taxes, multiplied by the Plant Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, Transmission Related Accumulated Deferred Income Taxes associated with MPRP will be separately identified.

(f) Other Regulatory Assets/Liabilities shall equal Central Maine's electric balance of any deferred rate recovery of FAS 106 expenses multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor, plus Central Maine's electric balance of FAS 109 multiplied by the Plant Allocation Factor.

(g) Transmission Prepayments shall equal Central Maine's electric balance of prepayments multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor.

(h) Transmission Materials and Supplies shall equal Central Maine's electric balance of Plant Materials and Supplies, multiplied by the Plant Allocation Factor.

(i) Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Transmission Operation and Maintenance Expense, Transmission Related Administrative and General Expense and Transmission Support Expense, to the extent that Transmission Support Expense exceeds Transmission Support Revenue included in Paragraph J of the formula.

(j) MPRP CWIP shall equal Central Maine's balance as recorded in FERC Account No. 107 for the MPRP as authorized by Commission order and not otherwise recoverable as Pool-Supported PTF under Attachment F of this OATT. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, MPRP CWIP will be separately identified.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) Central Maine's Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated based upon the capital structure at the end of each year and will equal the sum of (i), (ii), and (iii) below.

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity, including any unamortized discounts and premiums, and unamortized losses and gains on reacquired debt, and the ratio that long-term debt is to Central Maine's total capital.

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of Central Maine's preferred stock then outstanding and the ratio that preferred stock is to Central Maine's total capital.

(iii) the return on equity component, which equals the product of Central Maine's Return on Equity of 10.57% and the ratio that common equity is to Central Maine's total capital. In order to calculate the Incremental Investment Return and Associated Income Taxes for MPRP, the incremental return on equity shall be the product of the MPRP incremental return on equity of 1.25% and the ratio that common equity is to Central Maine's total capital.

(b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is Transmission Related Amortization of Investment Tax Credits, as determined in Section II.C., below, C is the Equity AFUDC component of Transmission Depreciation Expense, as defined in Section II.B., and D is Transmission Investment Base, as determined in II.A.1., above. In order

to calculate the Incremental Return and Associated Income Taxes for MPRP, the incremental Federal Income Tax shall equal

$$\frac{(A' * FT)}{(1 - FT)}$$

where FT is the Federal Income Tax Rate and A' is the incremental return on equity component, as determined in Section II.A.2.(a)(iii) above.

(c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.C. below, C is the equity AFUDC component of Transmission Depreciation Expense, as defined in Section II.B., D is the Transmission Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.2.(b) above. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, the incremental State Income Tax shall equal

$$\frac{(A' + \text{Federal Income Tax})(ST)}{(1 - ST)}$$

where ST is the State Income Tax Rate, A' is the incremental return on equity component determined in Section II.A.2.(a)(iii) above, and Federal Income Tax is the rate determined in Section II.A.2.(b) above.

B. Transmission Depreciation Expense shall equal the sum of Depreciation Expense for Transmission Plant, plus an allocation of Intangible and General Plant Depreciation Expense calculated by multiplying Intangible and General Plant Depreciation Expense by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor.

- C. Transmission Related Amortization of Investment Tax Credits shall equal Central Maine's electric Amortization of Investment Tax Credits multiplied by the Plant Allocation Factor.
- D. Transmission Related Municipal Tax Expense shall equal Central Maine's total electric municipal tax expense multiplied by the Plant Allocation Factor.
- E. Transmission Operation and Maintenance Expense shall equal Central Maine's Transmission Operation and Maintenance Expenses, multiplied by the Transmission Network Allocation Factor.
- F. Transmission Related Administrative and General Expenses shall equal the sum of (1) Central Maine's Administrative and General Expenses multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor, (2) Property Insurance multiplied by the Transmission Plant Allocation Factor, and (3) Expenses included in Account 928 related to FERC Assessments multiplied by Plant Allocation Factor, plus any other Federal and State transmission related expenses or assessments, and beginning June 1, 2007, minus the amortization of RTO formation and associated carrying costs included in Account 928, plus a pro forma amount of such costs expected to be amortized to Account 928 from June 1 through May 31 of the current rate year, plus specific transmission related expenses included in Account 930.1. The pro forma amount described above shall continue through May 31, 2011 and shall not be subject to the Annual True-up described in Attachment K of this Schedule 21-CMP.
- G. Transmission Related Regulatory Assessments shall include any FERC assessments associated with Transmission Service provided under the OATT and Schedule 21, based on the FERC regulations in 18 C.F.R. § 382.201, and as recorded in FERC Account No. 408.1.
- H. Transmission Support Expense shall equal Central Maine's electric expense for transmission support, excluding any support expenses associated with the non-PTF facilities as the Millstone power plant.
- I. Transmission Support Revenues shall equal Central Maine's revenue received for transmission support, excluding, for test periods beginning in calendar year 1999 and thereafter, and support revenues associated with generator leads and step-up transformers in Central Maine's Transmission Plant accounts. To the extent that a customer had pre-paid Central Maine for O&M service performed during the test period associated with Direct Assignment Facilities, interconnection facilities, or grid upgrades, such

prepayment shall not be credited to the revenue requirement described in this Attachment G-R. Rather, an annual amount of O&M service revenue shall be imputed to such service in accordance with Schedule No. 14 and credited for each test year during which such O&M service obligation continues.

J. ISO Transmission Revenues shall equal the revenues distributed to Central Maine, from ISO, for network, and through and out Transmission Service provided under the OATT excluding any incremental revenues associated with FERC-approved incentives for MPRP CWIP and the ROE adders for RTO participation and new transmission investment. These revenues will be based on historical test year data, except that for the duration of the transition period, Central Maine will use a pro forma amount for network service revenues expected to be received in the rate year.

K. Other Wheeling Revenues shall equal any revenues received by Central Maine for providing wheeling out services to Generators as well as any other short-term, non-firm, or penalty revenues received by Central Maine associated with the provision of Transmission Services under this Schedule 21-CMP, not otherwise reflected in Section II. J above. The credit for wheeling out revenues shall change from month to month based on the actual amounts received by Central Maine for the most recent month that data is available. The revenue requirement described in this Attachment G-R shall be revised each month to reflect the annualized amount of the credit. Revenues received by Central Maine pursuant to Transmission Service agreements that pre-dated Order No. 888, to the extent that the such transactions are treated as a revenue credit rather than in the determination of Load Ratio Share, will be prorated between this Attachment G-R and Schedule 1 of this Schedule 21-CMP on the basis of gross investment in plant for the services at issue.

L. Transmission Rents Received from Electric Property shall equal any Rents from electric property, associated with Transmission Plant as defined in Section II.A.1.(a) above, excluding, for test periods beginning in calendar year 1999 and thereafter, any rents associated with generator leads and generator step-up transformers in Central Maine's Transmission Plant accounts, but not otherwise reflected in Section II. I. above as Transmission Support Revenues.

M. Transmission-Related Customer Service and Informational Expenses and Sales Expenses shall equal Central Maine's expenses in FERC Account Nos. 901-916 less any State-mandated programs, activities and services multiplied by the Customer Service and Informational Expenses and Sales Expenses Allocation Factor.

N. Forecasted Transmission Revenue Requirement and Annual True-up shall equal Central Maine's estimated revenue requirements for forecasted transmission plant additions and any associated Annual True-up. The Forecasted Transmission Revenue Requirement and Annual True-up shall be calculated in accordance with Attachment K to this Schedule 21-CMP.

ATTACHMENT G -W
FORMULA FOR CALCULATING
ANNUAL WHOLESALE TRANSMISSION REVENUE REQUIREMENTS
UNDER THE CENTRAL MAINE POWER COMPANY
LOCAL SERVICE SCHEDULE
SCHEDULE 21-CMP

This formula sets forth the details for determining each year's Annual Transmission Revenue Requirement for Central Maine Power Company (Central Maine). The Transmission Revenue Requirement reflects Central Maine's cost to own, operate and maintain the transmission facilities used for providing Open Access Transmission Service to wholesale Transmission Customers under this Schedule 21-CMP. The Transmission Revenue Requirement will be an annual formula rate calculation, effective for an initial term commencing on the effective date established by FERC and ending on May 31, 2000, based on 1998 test year data, and updated thereafter each June 1, based on the previous calendar year's FERC Form 1 data, and based on actual data in lieu of allocated data, if specifically identified in FERC Form 1, as shown below, using end-of-year balances for each rate base item, as further set forth below. The Annual Transmission Revenue Requirement calculated pursuant to this Attachment G-W shall include a Forecasted Transmission Revenue Requirement and Annual True-up as further set forth below and calculated in accordance with Attachment K to this Schedule 21-CMP. The Annual Transmission Revenue Requirement shall include an Incremental Return and Associated Income Taxes and shall incorporate the 125 basis point incentive ROE adder granted by the FERC in Docket No. EL08-74-000 for the Maine Power Reliability Program ("MPRP") on MPRP CWIP and on any MPRP transmission investments not otherwise recoverable as Pool-Supported PTF under Attachment F of this OATT. The data used in determining the Incremental Return and Associated Taxes shall be based on actual data specifically identified in Central Maine's accounting records.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section 1 of the Schedule 21-CMP have the following definitions:

A. ALLOCATION FACTORS

1. Transmission Wages and Salaries Allocation Factor shall equal the ratio of Transmission-related direct wages and salaries not otherwise assigned under this Schedule 21-CMP, including

those of Affiliate Companies to Central Maine's total direct wages and salaries including those of the Affiliate Companies and excluding administrative and general wages and salaries.

2. Transmission Network Allocation Factor shall equal the ratio of Total Investment in Transmission Plant excluding the balance associated with generator leads and generator step up transformers in Central Maine's Transmission Plant for test periods beginning with calendar year 1999 and thereafter to Total Investment in Transmission Plant.

3. Transmission Plant Allocation Factor shall equal the ratio of the sum of Total Investment in Transmission Plant, excluding the balance associated with generator leads and generator step-up transformers in Central Maine's Transmission Plant accounts for test periods beginning with calendar year 1999 and thereafter, and Transmission Related General and Intangible Plant to Total Plant in service.

B. TERMS

Administrative and General Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928 and 930.1.

Amortization of Investment Tax Credits shall equal Central Maine's credits as recorded in FERC Account No. 411.4.

Depreciation Expense for Transmission Plant shall equal Central Maine's transmission depreciation expense as recorded in FERC Account No. 403 and shall not include any depreciation expense associated with generator leads or generator step up transformers for test years beginning with 1999 and thereafter.

Intangible and General Plant shall equal Central Maine's gross plant balance as recorded in FERC Account Nos. 301-303 and 389-399.

Intangible and General Plant Amortization and Depreciation Expense shall equal Central Maine's intangible and general expenses as recorded in FERC Account Nos. 404 and 403.

Intangible and General Plant Depreciation Reserve shall equal Central Maine's intangible and general reserve balance as recorded in FERC Account Nos. 111 and 108.

Maine Power Reliability Program Construction Work In Progress (“MPRP CWIP”) shall equal Central Maine Power Company’s (“CMP’s”) MPRP CWIP balance as recorded in FERC Account No. 107.

Other Regulatory Assets/Liabilities - FAS 106 shall equal the net of Central Maine’s FAS106 balance as recorded in FERC Account 182.3 and any FAS 106 balance as recorded in Central Maine’s FERC Account No. 254.

Other Regulatory Assets/Liabilities - FAS 109 shall equal the net of Central Maine’s FAS 109 balance in FERC Account No. 182.3 and any FAS 109 balance as recorded in Central Maine’s FERC Account No. 254.

Plant Held for Future Use shall equal Central Maine’s balance in FERC Account No.105.

Prepayments shall equal Central Maine’s prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal Central Maine’s expenses as recorded in FERC Account No. 924.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balance as recorded in FERC Account Nos. 281-283 and the deferred tax balance as recorded in FERC Account No. 190.

Total Municipal Tax Expense shall equal Central Maine’s municipal tax expenses as recorded in FERC Account No. 408.1.

Total Plant in Service shall equal Central Maine’s total gross plant balance as recorded in FERC Account Nos. 301-399.

Total Transmission Depreciation Reserve shall equal Central Maine’s transmission reserve balance as recorded in FERC Account 108, and for test years beginning with 1999 and thereafter, shall exclude any reserve balance associated with generator leads and generator step-up transformers.

Transmission Operation and Maintenance Expense shall equal Central Maine’s expenses as recorded in FERC Account Nos. 560, 561.5-561.8, 562-564 and 566-573, excluding any HQ HVDC expenses booked to accounts 560 through 573 and any other expenses in support of other utilities’ transmission facilities which are included in FERC Account Nos. 560-573.

Transmission Plant shall equal Central Maine's Gross Plant balance as recorded in FERC Account Nos. 350-359 and for test years beginning with 1999 and thereafter, shall exclude any investment in generator leads and generator step up transformers.

Transmission Plant Materials and Supplies shall equal Central Maine's balance as assigned to transmission, as recorded in FERC Account No. 154.

II. CALCULATION OF TRANSMISSION REVENUE REQUIREMENTS

The Transmission Revenue Requirement shall equal the sum of Central Maine's (A) Investment Return and Associated Income Taxes (including the Incremental Investment Return and Associated Income Taxes for MPRP), (B) Transmission Depreciation Expense, (C), Transmission Related Amortization of Investment Tax Credits, (D) Transmission Related Municipal Tax Expense, (E) Transmission Operation and Maintenance Expense, (F) Transmission Related Administrative and General Expenses, (G) Transmission Related Regulatory Assessments, (H) Transmission Support Expense, minus (I) Transmission Support Revenue, minus (J) ISO Transmission Revenue, minus (K) Other Wheeling Revenue, minus (L) Transmission Rents Received from Electric Property, and (M) Forecasted Transmission Revenue Requirement and Annual True-up. The Incremental Return and Associated Income Taxes for MPRP shall be calculated using the Transmission Investment Base components specifically identified in Section A.1 of the formula below.

A. Investment Return and Associated Income Taxes shall equal the product of the Transmission Investment Base and the Cost of Capital Rate. To calculate the Incremental Investment Return and Associated Income Taxes for MPRP, Transmission Investment Base will only include Sections II.A.1.(a), (d), (e), and (j) in the manner indicated.

1. Transmission Investment Base

The Transmission Investment Base will be the year end balances of (a) Transmission Plant, plus (b) Transmission Related Intangible and General Plant, plus (c) Transmission Plant Held for Future Use, less (d) Transmission Related Depreciation Reserve, less (e) Transmission Related Accumulated Deferred Taxes, plus (f) Other Regulatory Assets/Liabilities, plus (g) Transmission Prepayments, plus (h) Transmission Materials and Supplies, plus (i) Transmission Related Cash Working Capital, plus (j) MPRP CWIP.

- (a) Transmission Plant will equal the balance of Central Maine's Investment in Transmission Plant multiplied by the Transmission Network Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, MPRP Transmission Plant will be separately identified.
- (b) Transmission Related Intangible and General Plant shall equal the sum of Central Maine's investment in Intangible and General Plant multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor.
- (c) Transmission Plant Held for Future Use shall equal the balance of Transmission-related Plant Held for Future Use.
- (d) Transmission Related Depreciation Reserve shall equal the balance of Total Transmission Depreciation Reserve, plus the sum of the balance of Transmission Related Intangible and General Plant Depreciation Reserve. Transmission Related Intangible and General Plant Depreciation Reserve shall equal the product Intangible and General Plant Depreciation Reserve and the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, Transmission Depreciation Reserve associated with MPRP will be separately identified.
- (e) Transmission Related Accumulated Deferred Taxes shall equal Central Maine's electric balance of Total Accumulated Deferred Income Taxes, multiplied by the Plant Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, Transmission Related Accumulated Deferred Income Taxes associated with MPRP will be separately identified.
- (f) Other Regulatory Assets/Liabilities shall equal Central Maine's electric balance of any deferred rate recovery of FAS 106 expenses multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor, plus Central Maine's electric balance of FAS 109 multiplied by the Plant Allocation Factor.

(g) Transmission Prepayments shall equal Central Maine's electric balance of prepayments multiplied by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor.

(h) Transmission Materials and Supplies shall equal Central Maine's electric balance of Plant Materials and Supplies, multiplied by the Plant Allocation Factor.

(i) Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Transmission Operation and Maintenance Expense, Transmission Related Administrative and General Expense and Transmission Support Expense, to the extent that Transmission Support Expense exceeds Transmission Support Revenue included in Paragraph J of the formula.

(j) MPRP CWIP shall equal Central Maine's balance as recorded in FERC Account No. 107 for the MPRP as authorized by Commission order and not otherwise recoverable as Pool-Supported PTF under Attachment F of this OATT. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, MPRP CWIP will be separately identified.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) Central Maine's Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated based upon the capital structure at the end of each year and will equal the sum of (i), (ii), and (iii) below.

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity, including any unamortized discounts and premiums, and unamortized losses and gains on reacquired debt, and the ratio that long-term debt is to Central Maine's total capital.

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of Central Maine's preferred stock then outstanding and the ratio that preferred stock is to Central Maine's total capital.

(iii) the return on equity component, which equals the product of Central Maine's Return on Equity of 10.57% and the ratio that common equity is to Central Maine's total capital. In order to calculate the Incremental Investment Return and Associated Income Taxes for MPRP, the incremental return on equity shall be the product of the MPRP incremental return on equity of 1.25% and the ratio that common equity is to Central Maine's total capital.

(b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is Transmission Related Amortization of Investment Tax Credits, as determined in Section II.C., below, C is the Equity AFUDC component of Transmission Depreciation Expense, as defined in Section II.B., and D is Transmission Investment Base, as determined in II.A.1., above. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, the incremental Federal Income Tax shall equal

$$\frac{(A' * FT)}{(1 - FT)}$$

where FT is the Federal Income Tax Rate and A' is the incremental return on equity component, as determined in Section II.A.2.(a)(iii) above.

(c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.C. below, C is the equity AFUDC component of Transmission Depreciation Expense, as defined in Section II.B., D is the

Transmission Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.2.(b) above. In order to calculate the Incremental Return and Associated Income Taxes for MPRP, the incremental State Income Tax shall equal

$$\frac{(A' + \text{Federal Income Tax})(ST)}{(1 - ST)}$$

where ST is the State Income Tax Rate, A' is the incremental return on equity component determined in Section II.A.2.(a)(iii) above, and Federal Income Tax is the rate determined in Section II.A.2.(b) above.

- B. Transmission Depreciation Expense shall equal the sum of Depreciation Expense for Transmission Plant, plus an allocation of Intangible and General Plant Depreciation Expense calculated by multiplying Intangible and General Plant Depreciation Expense by the Transmission Wages and Salaries Allocation Factor, and further multiplied by the Transmission Network Allocation Factor.
- C. Transmission Related Amortization of Investment Tax Credits shall equal Central Maine's electric Amortization of Investment Tax Credits multiplied by the Plant Allocation Factor.
- D. Transmission Related Municipal Tax Expense shall equal Central Maine's total electric municipal tax expense multiplied by the Plant Allocation Factor.
- E. Transmission Operation and Maintenance Expense shall equal Central Maine's Transmission Operation and Maintenance Expenses, multiplied by the Transmission Network Allocation Factor.
- F. Transmission Related Administrative and General Expenses shall equal the sum of (1) Central Maine's Administrative and General Expenses multiplied by the Transmission Wages and Salaries Allocation Factor and further multiplied by the Transmission Network Allocation Factor, (2) Property Insurance multiplied by the Transmission Plant Allocation Factor, and (3) Expenses included in Account 928 related to FERC Assessments multiplied by Plant Allocation Factor, plus any other Federal and State transmission related expenses or assessments, and beginning June 1, 2007, minus the amortization of RTO formation and associated carrying costs included in Account 928, plus a pro forma amount of such costs expected to be amortized to Account 928 from June 1 through May 31 of the current rate year, plus specific transmission related expenses included in Account 930.1. The pro forma amount described

above shall continue through May 31, 2011 and shall not be subject to the Annual True-up described in Attachment K of this Schedule 21-CMP.

G. Transmission Related Regulatory Assessments shall include any FERC assessments associated with Transmission Service provided under the OATT and Schedule 21, based on the FERC regulations in 18 C.F.R. § 382.201, and as recorded in FERC Account No 408.1.

H. Transmission Support Expense shall equal Central Maine's electric expense for transmission support, excluding any support expenses associated with the non-PTF portion of Millstone.

I. Transmission Support Revenues shall equal Central Maine's revenue received for transmission support, excluding, for test periods beginning in calendar year 1999 and thereafter, and support revenues associated with generator leads and step-up transformers in Central Maine's Transmission Plant accounts. To the extent that a customer had pre-paid Central Maine for O&M service performed during the test period associated with Direct Assignment Facilities, interconnection facilities, or grid upgrades, such prepayment shall not be credited to the revenue requirement described in this Attachment G-W. Rather, an annual amount of O&M service revenue shall be imputed to such service in accordance with Schedule No. 14 and credited for each test year during which such O&M service obligation continues.

J. ISO Transmission Revenues shall equal the revenues distributed to Central Maine, from ISO, for network, and through and out Transmission Service provided under the OATT excluding any incremental revenues associated with FERC-approved incentives for MPRP CWIP and the ROE adders for RTO participation and new transmission investment. These revenues will be based on historical test year data, except that for the duration of the transition period, Central Maine will use a pro forma amount for network service revenues expected to be received in the rate year.

K. Other Wheeling Revenues shall equal any revenues received by Central Maine for providing wheeling out services to generators as well as any other short-term, non-firm, or penalty revenues received by Central Maine associated with the provision of Transmission Services under this Schedule 21-CMP, not otherwise reflected in Section II . J above. The credit for wheeling out revenues shall change from month to month based on the actual amounts received by Central Maine for the most recent month that data is available, and this Attachment G-W revenue requirement will be revised each month to reflect the annualized amount of such monthly value, to account for the updated credit. Revenues received by Central Maine pursuant to Transmission Service agreements that pre-dated Order No. 888, to the extent

that the such transactions are treated as a revenue credit rather than in the determination of Load Ratio Share, will be prorated between this Attachment G-W and Schedule 1 of this Schedule 21-CMP on the basis of gross investment in plant for the services at issue.

L. Transmission Rents Received from Electric Property shall equal any Rents from electric property, associated with Transmission Plant as defined in Section II.A.1.(a) above, excluding, for test periods beginning in calendar year 1999 and thereafter, any rents associated with generator leads and generator step-up transformers in Central Maine's Transmission Plant accounts, but not otherwise reflected in Section II. I. above as Transmission Support Revenues.

M. Forecasted Transmission Revenue Requirement and Annual True-up shall equal Central Maine's estimated revenue requirements for forecasted transmission plant additions and any associated Annual True-up. The Forecasted Transmission Revenue Requirement and Annual True-up shall be calculated in accordance with Attachment K to this Schedule 21-CMP.

ATTACHMENT H
Umbrella Service Agreement For Retail
Local Network Transmission Service

1.0 This Service Agreement, dated as of March 1, 2000 is entered into, by and between Central Maine Power Company, and Central Maine Power Company, as the Designated Agent for its distribution level retail access customers as determine by the Maine Public Utility Commission (“Transmission Customer”). Such retail customers are not required to sign a Service Agreement, but have designated the Central Maine as their agent to arrange and maintain Local Network Transmission Service under the Central Maine Power Company Local Service Schedule 21 and Regional Network Service under the OATT on their behalf.

2.0 Service under this agreement shall commence on March 1, 2000. The Service Agreement shall be effective for an initial term of one year. Thereafter, it will continue from year-to-year unless terminated by Central Maine through a unilateral filing with FERC under section 205 of the FPA. Unless otherwise specified in their State of Maine Tariffs or in their contract with Central Maine, retail distribution level customers taking service under this Service Agreement shall be responsible for transmission charges for the initial term of one of Central Maine’s typical monthly billing cycles for retail customers. Thereafter, such customers will continue to be responsible for transmission charges from typical monthly billing cycle to typical monthly billing cycle.

3.0 Central Maine agrees to provide and the Transmission Customer agrees to take and pay for Local Network Service in accordance with the provisions of Part III of this Schedule 21-CMP, Schedule 12 and this Service Agreement. Retail customers shall continue to pay Maine Public Utility Commission ordered rates, including without limitation, stranded costs and other distribution-related costs, as applicable.

4.0 This Schedule 21 is incorporated herein and made a part hereof.

Specifications for Retail Local Network Transmission Service

1.0 Term of Transaction: The Service Agreement shall be effective for an initial term of one year. Thereafter, it will continue from year-to-year.

Start Date: March 1, 2000

2.0 General description of capacity and energy to be transmitted by Central Maine including the electric Control Area in which the transaction originates.

Central Maine will transmit capacity and energy sufficient to serve all of its retail distribution level customers as determined by the Maine Public Utility Commission.

3.0 Retail Local Network Service Customers agree to take the following Ancillary Services from Central Maine under the terms and conditions of the OATT and Central Maine's Local Service Schedule 21.

1. Scheduling, System Control and Dispatch.

Retail Local Network Customers agree to take the following Ancillary Services under the terms and conditions of the OATT and applicable ISO Market Rules through Central Maine or another entity acting as their Designated Agent.

1. Scheduling, System Control and Dispatch
2. Reactive Supply and Voltage Control Service
3. Regulation and Frequency Response Service (Automatic Generation Control)
4. Energy Imbalance Service
5. Ten Minute Spinning Reserve Service
6. Ten Minute Non-Spinning Reserve Service
7. Thirty Minute Operating Reserve Service

ATTACHMENT I

Service Agreement For Retail Local Network Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between Central Maine Power Company (“Central Maine”), and _____ (“Transmission Customer”).

2.0 The Transmission Customer has been determined by the Central Maine to have a Completed Application for Local Network Transmission Service under Schedule 21.

3.0 By checking here _____, the Transmission Customer agrees to designate Central Maine as its sole agent, pursuant to Schedule 12, for arranging and obtaining Regional Network Service under the Tariff. The Transmission Provider agrees to bill the Transmission Customer directly for such services, and the Transmission Customer agrees to pay in full such bill for PTF service.

3.1 The Transmission Customer agrees to pay Central Maine any and all charges associated with the distribution component of the network service even if there is a dispute over charges associated with the transmission component of the network service. Central Maine reserves the right to terminate service for non-payment of charges for distribution service. Disputes concerning charges for distribution service will be subject to the rules of the Maine Public Utilities Commission. Disputes concerning Transmission Service will be subject to Federal Energy Regulatory Commission (“FERC”) rules. Any partial payment by the Transmission Customer to Central Maine will applied first to any outstanding charges associated with Transmission Services provided by Central Maine to the Transmission Customer under the Tariff. Thereafter, any partial payment by the Transmission Customer to Central Maine will be applied to the outstanding charges associated with distribution services provided under Central Maine’s Local Service Schedule.

4.0 Service under this agreement shall commence on the later of (1) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility additions or upgrades are completed, or (3) the date on which a Local Network Operating Agreement is executed and all requirements of said Agreement have been completed or (4) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on _____.

5.0 Central Maine agrees to arrange and to provide and the Transmission Customer agrees to take and pay for Local Network Service in accordance with the provisions of Part III of this Schedule 21-CMP and this Service Agreement.

6.0 Any notice or request made to or by either party regarding this Service Agreement shall be made to the representative of the other party as indicated below.

Central Maine:

Transmission Customer:

7.0 This Local Service Schedule is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Central Maine:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

Specifications For Local Network Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 General description of capacity and energy to be transmitted by Central Maine including the electric Control Area in which the transaction originates.

3.0 Detailed description and forecast of Local Network Load at each delivery point:

4.0 Detailed description of each Network Resource, including any operating restrictions: _____

5.0 Detailed description of the Transmission Customer's anticipated use of Central Maine's interfaces:

6.0 Description of any Transmission System owned or controlled by the Transmission Customer: _____

7.0 Names(s) of any intervening Transmission Owners:

8.0 The Local Network Service Customer agrees to take the following Ancillary Services from Central Maine.

1. Scheduling, System Control and Dispatch _____ Yes\No

The Local Network Customer agrees to take the following Ancillary Services from the ISO, a third party or agrees to self provide them.

	Yes/No	Source
1. Reactive Supply and Voltage Control	_____	* _____
2. Regulation and Frequency Response	_____	* _____
3. Energy Imbalance	_____	* _____
4. Spinning Reserve	_____	* _____
5. Supplemental Reserve	_____	* _____

9.0 Description of required Direct Assignment Facilities:

10.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in this Schedule 21, the customer will be subject to the following charges:

10.1 System Impact and/or Facilities Study Charge(s):

10.2 Direct Assignment Facilities Charges: _____

10.3 Redispatch Charges:

10.4 Facility Additions or Upgrade Charges:

ATTACHMENT J

Form Letter of Credit

[BANK LETTERHEAD]

IRREVOCABLE LETTER OF CREDIT

[Date]

Irrevocable Letter of Credit No.

Central Maine Power Co.
Manager, Transmission Services
83 Edison Drive
Augusta, ME 04336

Dear Sirs:

At the request and on the instructions of our customer _____ we hereby establish our irrevocable letter of credit No. _____ in your favor for the account of _____ and authorize you to draw on _____ Bank an amount not to exceed _____ Dollars (\$_____).

Funds under this letter of credit are available to you against a sight draft on us, which must be marked "Drawn under _____ Bank Irrevocable Letter of Credit No. _____ dated _____".

Each draft must be accompanied by: (1) a written statement by your duly authorized officer that there is then payable to you from _____ an amount equal to the amount of such draft and specifying the section of the Power Purchase Agreement under which the amount is payable; and (2)

the original of this letter of credit, which will be returned to you following notation hereon by the Bank of the amount of such draft, except that, if the amount of the draft is in the full amount of this letter of credit, then the letter of credit will be retained by the Bank.

Drafts so drawn and accompanied will be honored by this Bank if presented to our main office in _____, prior to the close of business on the expiration date. The expiration date of this letter of credit is _____.

Upon the payment to you of any amount demanded hereunder, we shall be fully discharged on our obligation under this letter of credit with respect to such amount, and we shall not thereafter be obligated to make any further payments under this letter of credit in respect of such amount to you or to any other person.

If at any time prior to presentation for payment hereunder, we receive a certificate signed by an authorized officer of Central Maine stating that this Letter of Credit has been lost, stolen, mutilated or destroyed, we will, upon receipt of (i) the mutilated Letter of Credit, in the case of mutilation of the Letter of Credit, or (ii) in other cases, such proof of loss as we shall reasonably specify, issue to Central Maine a replacement Letter of Credit dated the same date, bearing the same number, in the same amount, and in all other respects identical to this Letter of Credit, as it may have been amended or reduced, except that the replacement Letter of Credit shall be marked "Duplicate" and shall contain a provision stating, "This duplicate Letter of Credit is issued to replace Letter of Credit No. _____; the beneficiary herein agrees to return promptly this duplicate Letter of Credit to [Bank]_____ in the event the original Letter of Credit is recovered."

This letter of credit sets forth in full our understanding and such understanding shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits, 1983 Revision, ICC Publication No. 400 (the "Uniform Customs"). This letter of credit shall be deemed to be a contract made under the laws of the State of Maine and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of said State.

Very truly yours,

BANK

By:

Its:

ATTACHMENT K
FORECASTED TRANSMISSION REVENUE REQUIREMENTS FOR ATTACHMENT G-R
AND ATTACHMENT G-W

I. DEFINITIONS

- (i) **Annual True-up (ATU)**: shall be the difference between Central Maine's actual Annual Transmission Revenue Requirements for the most recently concluded calendar year and Central Maine's actual Annual Transmission Revenue Requirements for the calendar year prior to the most recently concluded calendar year (i.e., the revenue requirements used to calculate LNS rates effective June 1 of the most recently concluded calendar year), as adjusted to include interest pursuant to Part II below.
- (ii) **Forecast Period**: The calendar year immediately following the calendar year for which the most recent FERC Form I data is available.
- (iii) **Forecasted Transmission Plant Additions (FTPA)**: shall equal an estimate of Central Maine's transmission plant additions for the Forecast Period.
- (iv) **Forecasted MPRP CWIP (FCWIP)**: shall equal CMP's estimated incremental change in MPRP CWIP for the Forecast Period.
- (v) **Adjusted Carrying Charge Factor (ACCF)**: shall equal the sum of the Carrying Charge Factor and the quotient of (i) the Cost of Capital Rate multiplied by Central Maine's Transmission Related Accumulated Deferred Taxes associated with Post-1996 PTF Transmission Plant for the most recently concluded calendar year, and (ii) PTF Transmission Plant for the most recently concluded calendar year, as shown:

$$\text{ACCF} = \text{CCF} + [(\text{COC} * \text{Transmission Related Accumulated Deferred Taxes associated with Post-1996 PTF Transmission Plant}) \div \text{PTF Transmission Plant}]$$

- (vi) **Carrying Charge Factor (CCF)**: shall reflect the most recent calendar year data used in determining Central Maine's Annual Transmission Revenue Requirements and shall equal the sum of Attachment G-R Sections II.A, excluding MPRP CWIP, through II.H plus II.M divided by Attachment G-

R Section II.A.1.(a) for Central Maine's retail Transmission Customers. The CCF for Central Maine's wholesale Customers shall equal the sum of Attachment G-W Sections II.A, excluding MPRP CWIP, through II.H divided by Attachment G-W Section II.A.1.(a).

(vii) **Forecasted ADIT (FADIT)**: shall equal Central Maine's projected change in Accumulated Deferred Income Taxes from the most recently concluded calendar year related to accelerated depreciation for the Forecast Period calculated in accordance with Treasury regulation Section 1.167(l)-1(h)(6).

(viii) **Cost of Capital Rate (COC)**: shall be determined in accordance with Attachment G-R Section II.A.2 and Attachment G-W Section II.A.2.

(ix) **MPRP Cost of Capital Rate (MCOC)**: shall be determined in accordance with Attachment G Section II.A.2.

(x) **Forecasted Transmission Revenue Requirement (FTRR)**: shall equal FTPA multiplied by the ACCF, less FADIT multiplied by the COC, plus FWCIP multiplied by the MCOC, as shown:

$$\text{FTRR} = (\text{FTPA} * \text{ACCF}) - (\text{FADIT} * \text{COC}) + (\text{FCWIP} * \text{MCOC})$$

II. INTEREST ON ANNUAL TRUE-UPS

Interest on the Annual True-up amounts (i.e., interest applicable to any over or under collection) shall be calculated pursuant to the Commission's regulations at 18 C.F.R. § 35.19a (a) (2) (iii).

III. INFORMATIONAL FILINGS

Supporting documentation for the derivation and calculation of Section I (i) through (vii) of this Attachment K will be included as part of the Annual Informational Filing required pursuant to Section 10.2 of Schedule 21-CMP.

Schedule 21 – CMP

Attachment L

Creditworthiness Procedure

I. General Information

This Attachment L details the specific requirements for creditworthiness procedures of Schedule 21-CMP of the OATT for Central Maine Power Company (“CMP”). Any customer taking (i) any service under Schedule 21-CMP, the Local Service Schedule (“LSS”) for CMP under the OATT or (ii) any Federal Energy Regulatory Commission (“Commission”) regulated Interconnection Service from CMP (such a customer is referred to herein as a “Customer” and such services are referred to individually herein as a “Service” and collectively as “Services”) must meet the terms of this Attachment L. The creditworthiness of each Customer must be established prior to receiving Service from CMP. A Customer will be evaluated at the time it’s Application for such Service is provided to CMP or to ISO. A credit review shall be conducted for each Transmission Customer at least annually or upon reasonable request by the Transmission Customer. CMP may conduct a credit review any time there is a material change in a Customer’s financial conditions as set forth in Section VIII.A. Any change in this Attachment L will be made in accordance with Section 10 and posted on CMP’s OASIS. All Customers must comply with the terms of this Attachment L. The Customer should refer to the Company’s web site at www.cmpco.com or the Company’s OASIS site, for the applicable contact representative at CMP.

Upon receipt of a Customer’s Financial Information, CMP will review it for completeness and will notify the Customer if additional information is required. Upon completion of a credit evaluation of a Customer, CMP will notify the Customer of the results as well as of any Financial Assurance requirements. CMP will provide a written report of the credit evaluation, upon written or email request by the Customer.

II. Financial Information

- Customers requesting Service are required, at the sole discretion of CMP, to submit, if available, all current rating agency reports from Standard and Poor’s (“S&P”), Moody’s
- and/or Fitch of the Customer, its direct or indirect parent (“Parent”), or other credit provider, or
- Audited financial statements provided by a registered independent auditor for the two most recent years, or the period of its existence, if shorter, for the Customer, its Parent, or credit provider.

III. Creditworthiness Requirements

A. The Customer must meet at least one of the following quantitative criteria:

a) If rated, the Customer must have either for itself or for its outstanding debt the following:

- S&P's or Fitch rating of at least a **BBB-**, or
- Moody's rating of at least a **Baa3**.

Notwithstanding any other provision of this Schedule L, a Customer's credit will be limited as follows:

Rating (S&P / Moody's)	Credit Limit
A/A2	\$30,000,000
A-/A3	\$20,000,000
BBB+/Baa1	\$15,000,000
BBB/Baa2	\$10,000,000
BBB-/Baa3	\$5,000,000

If ratings by different agencies are inconsistent, CMP will use the lowest rating.

b) If unrated or if rated below BBB-/Baa3, as stated in a), the Customer must meet all of the following:

- A Current Ratio of at least 1.0 times (current assets divided by all current liabilities);
- A Total Capitalization Ratio of less than 60% debt: total debt (including all short-term borrowing) divided by total shareholders' equity plus total debt:

c) If the Customer relies on the creditworthiness of a parent company; the Customer's parent company must meet the criteria set out in (a) or (b) above, and must provide to CMP a written guarantee, to CMP's satisfaction, that it will be unconditionally responsible for all financial obligations associated with the Customer's receipt of Transmission Service from CMP.

B. If the Customer does not meet the quantitative criteria in Section A of this Section III, the Customer will qualify for unsecured credit equivalent to two month Transmission Service charges, or for Interconnection Service, the credit equivalent of two months of the annual facilities charges and other ongoing charges, if the following qualitative criteria are met:

- The Customer has, on a rolling basis, 12 consecutive months of payments to CMP with no missed, late or defaults in payment.

IV. Financial Assurance

If the Customer does not meet the creditworthiness set out in Section III, then the Customer must either:

- Pay in advance for service an amount equal to the lesser of the total charge for Services or the charge for three months of Services not less than five (5) business days in advance of the commencement of service; or,
- Subject to prior approval by CMP, for Transmission Service of three (3) months or longer, prepay each month not less than (5) business days before the beginning of the month. Notwithstanding any other provision of this Attachment L, CMP will not pay interest for prepayment of the current month's service.
- For Interconnection Service, prepayment of three (3) months of the anticipated facilities construction and all construction related costs including but not limited to project planning, management and overheads, as specified and updated from time to time by CMP, not less than five (5) business days in advance of commencing work; or prepayment of all construction related costs according to a schedule to be included in the Interconnection Agreement or E&P Agreement. If a conflict arises between the Terms of this Schedule L and an Interconnection or E&P Agreement, the terms of Interconnection or E&P Agreement shall apply.
- Obtain Financial Assurance, to CMP's satisfaction in the form of (a) letter of credit, (b) performance bond, (c) a cash deposit, or (d) corporate guarantee equal to the equivalent of three (3) months of Transmission Service charges prior to receiving service.

If the Customer pays for service more than one month in advance or posts a cash deposit, CMP will pay the Customer interest on the amounts not yet due to CMP, computed in accordance with the Commission's regulations at 18 CRF 35.19a(a)(2)(iii).

V. Credit Levels

If the Customer meets the applicable criteria outlined in Section III, that Customer may receive unsecured credit equivalent to three (3) months of transmission charges or, for interconnections, the credit equivalent of three (3) months of the annual facilities charges and other ongoing charges.

VI. Contesting Creditworthiness Determination

The Customer may submit a written request for reconsideration within twenty (20) calendar days of being notified of the creditworthiness determination. Such request should provide information supporting the basis for reconsideration. CMP will review and respond to the request within twenty (20) calendar days.

VII. Process for Changing Credit Requirements

In the event that CMP plans to revise its requirements for credit levels or collateral requirements as detailed in this Attachment L, CMP shall submit such changes in a filing to the Commission under Section 205 of the Federal Power Act. CMP shall follow the notification requirements pursuant to Section 3.04(a) of the Transmission Operating Agreement and reflected herein.

A. General Notification Process

- a) CMP shall provide written notification to ISO and stakeholders of any filing described above, at least thirty (30) days in advance of such filing.
- b) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s).
- c) CMP shall consult with interested stakeholders upon request.
- d) Following Commission acceptance of such filing and upon the effective date, CMP shall revise its Attachment L Creditworthiness Procedures and an updated version of Schedule 21-CMP shall be posted on the ISO website.

B. Transmission Customer Responsibility

When there is a change in requirements, it is the responsibility of the Transmission Customers to forward updated financial information to the Company, to the address noted on CMP's OASIS site and indicate whether the change affects their ability to meet the requirements of Attachment L. In such cases where the Customer's status has changed, the Customer must take the necessary steps to comply with the revised

requirements of Attachment L by the effective date of the change. Failure to meet the requirements of this Section VII (B) shall, at CMP's sole discretion, result in the requirement to post Financial Assurance immediately upon written or email notice by CMP.

VIII. Posting Collateral Requirements

A. Changes in Customer's Financial:

Each Customer must inform CMP in writing, within five (5) business days of any material change in its financial condition, and, if the Customer qualifies under Section IIIA. (c), that of its Parent. A material change in financial conditions may include, but not limited to, the following:

- Change in ownership direct or indirect, by way of merger, acquisition or substantial sale of assets;
- A downgrade of long- or short-term debt rating by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;
- Any action requiring filing of a Form 8-K;
- A declaration of or acknowledgement of insolvency;
- A report of a significant quarterly loss or decline in earnings;
- The resignation of key officer(s);
- The issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

Failure to meet the requirements of this Section VIII (A) shall, at CMP's sole discretion, result in the requirement to post Financial Assurance immediately upon written or email notice by CMP.

B. Change in Creditworthiness Status

A Customer who has been extended unsecured credit under this policy must provide Financial Assurance as set forth in Section IV, within three (3) business days, if one or more of the following conditions apply:

- The Customer no longer meets the applicable criteria for creditworthiness in item III;
- The Customer exceeds the amount of unsecured credit extended by CMP, in which case Financial Assurance equal to the amount of excess must be provided within three (3) business days; or

- The Customer has missed two or more payments for any of the Services offered by the Company's in the last 12 months.
- The Customer fails to meet the requirements of Sections VII (B) or VIII (A).

In the event that CMP determines that there is a change in the credit level or collateral requirements, the Customer may request a written explanation of the basis for this change. Such notification should be sent, in writing or via email, to the CMP contact indicated on the CMP OASIS site. CMP shall respond to such request within twenty (20) days of receipt of such notification.

Customers must post additional collateral within three (3) business days, from the date they are notified of the need for additional requirements.

IX. Ongoing Financial Review

Each Customer is required to submit to CMP annually or when issued, as applicable:

- Current rating agency report covering the Customer or its Parent;
- Audited financial statements of the Customer or its Parent from a registered independent auditor;
and
- 10-Ks and 8-Ks, promptly upon their issuance.

X. Suspension of Service

CMP may, at its sole discretion, immediately suspend service (with notification to Commission) to a Customer, and may initiate proceedings with Commission to terminate service, if the Customer does not meet the terms described in items III through VII at any time during the term of service or if the customer's payment obligations to CMP exceed the amount of unsecured or secured credit to which it is entitled under this Attachment L. A Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service.