

MEPCO
FERC Order No. 890 Posting
July 13, 2007

Maine Electric Power Company (“MEPCO”) and ISO-NE are signatories to the MEPCO Transmission Operating Agreement (“MEPCO TOA”). The MEPCO TOA provides that the MEPCO Transmission Facilities will be operated in similar fashion to the transmission facilities subject to the Transmission Operating Agreement (“TOA”) with a similar split of rights and responsibilities and ensures that the MEPCO Transmission Facilities are operated and administered in a manner consistent with ISO-NE’s system planning. The MEPCO TOA differs from the TOA primarily in that it does not contain a generalized obligation for MEPCO to build in response to bulk power system needs, reflecting the fact that the MEPCO Transmission Facilities are an inter-regional tie line excluded from regional transmission rates.

The MEPCO Transmission Facilities are currently defined as Other Transmission Facilities (“OTF”) under the ISO OATT with transmission service over the MEPCO Transmission Facilities provided pursuant to Schedule 20B, which is an equivalent to the Local Service Schedules under Schedule 21 of the ISO OATT. As contemplated and provided for in the MEPCO TOA, MEPCO and the ISO have developed a MEPCO Roll-In proposal that would: (i) define the MEPCO Transmission Facilities as Pool Transmission Facilities (“PTF”) with costs recovered under regional transmission rates, (ii) provide for MEPCO to become an Additional Participating Transmission Owner (“PTO”) under the TOA, and (iii) terminate the MEPCO TOA. The proposal has been considered by the PTOs and stakeholders and MEPCO expects that the proposal could be filed in July with an anticipated effective date of on or after November 1, 2007. If accepted by FERC, MEPCO Transmission Facilities would be defined as PTF and be subject to Order 890 compliance as it relates to the provision of Regional Network Service under the ISO OATT.

Currently however, the MEPCO Transmission Facilities are not defined as PTF and transmission service continues to be provided pursuant to Schedule 20B of the ISO OATT. In the unlikely event that MEPCO is not rolled-in, MEPCO will make a filing with the Commission on October 11, 2007 in order to comply with the provisions of Order 890 as it relates to OTF and Schedule 20B.

Central Maine Power is the majority equity owner of MEPCO and administers transmission service on behalf of MEPCO pursuant to Schedule 20B and the MEPCO TOA. MEPCO hereby adopts the July 13, 2007 Order 890 postings as reflected on CMP’s website or OASIS as applicable.