

February 21, 2019

VIA MPUC CASE FILE

Harry A. Lanphear  
Administrative Director  
Maine Public Utilities Commission  
18 State House Station  
Augusta, ME 04333-0018

RE: CENTRAL MAINE POWER COMPANY, *Request for Approval of a Certificate of Public Convenience and Necessity for the New England Clean Energy Connect Consisting of the Construction of a 1,200 MW HVDC Transmission Line from the Québec-Maine Border to Lewiston (NECEC) and Related Network Upgrades*, Docket No. 2017-00232

Dear Mr. Lanphear:

Pursuant to Chapter 110, Section 8(D)(4) of the Commission's Rules,<sup>1</sup> Central Maine Power Company ("CMP" or the "Company") is pleased to submit this cover letter and memorandum seeking Commission approval of the enclosed stipulation (the "Stipulation"), resolving all issues in the above-captioned proceeding among the stipulating parties identified below.

CMP submits the Stipulation for Commission review on behalf of itself, the Maine Office of the Public Advocate ("OPA"), the Governor's Energy Office, Industrial Energy Consumer Group ("IECG"), Conservation Law Foundation ("CLF"), Acadia Center, Western Mountains & Rivers Corporation ("WMRC"),<sup>2</sup> City of Lewiston, Maine State Chamber of Commerce (the "Chamber"), and International Brotherhood of Electrical Workers ("IBEW") (the "Stipulating Parties").

Commission Staff ("Staff") has informed the Stipulating Parties that it takes no position on the Stipulation, and will instead present its recommended decision on the

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<sup>1</sup> 65-407 C.M.R. ch. 330.

<sup>2</sup> CMP expects that WMRC will provide its executed signature page by separate filing in the near future.

issues presented in this proceeding and on the Stipulation in a forthcoming Examiners' Report. The Stipulating Parties appreciate Staff's active participation in all noticed settlement conferences in this proceeding, and emphasize that in drafting the Stipulation, the Stipulating Parties carefully considered all issues raised by Staff and took substantial measures to address such concerns.

CMP respectfully submits that the Stipulation meets all criteria for Commission approval under Chapter 110, Section 8(D)(7) of the Commission's Rules. Particularly, (i) the Stipulating Parties represent a sufficiently broad spectrum of interests to prevent the appearance or reality of disenfranchisement; (ii) the process that led to the Stipulation was fair to all parties; and the Stipulation is both (iii) reasonable and not contrary to legislative mandate, and (iv) in the public interest. On behalf of the Stipulating Parties, CMP provides the following information in support of the Stipulation.

#### **I. NAMES OF THE PARTIES JOINING, OPPOSING, OR TAKING NO POSITION ON THE STIPULATION**

The following parties join in the Stipulation: CMP, the OPA, the Governor's Energy Office, IECG, CLF, Acadia Center, WMRC, the City of Lewiston, the Chamber, and IBEW.

To the best of CMP's knowledge, as of today's date, the following parties oppose the Stipulation: NextEra Energy Resources, LLC ("NextEra"); Ms. Dorothy Kelly ("Dot Kelly"); Calpine Corporation ("Calpine"), Vistra Energy Corporation (formerly known as Dynegy Inc.) ("Vistra"), and Bucksport Generation LLC ("Bucksport") (Calpine, Vistra, and Bucksport collectively referred to as the "Generator Intervenors"); Natural Resources Council of Maine ("NRCM"); RENEW Northeast, Inc. ("RENEW"); the Maine Renewable Energy Association ("MREA"); ReEnergy Biomass Operations LLC ("ReEnergy"); the Town of Caratunk; Friends of Maine Mountains, Former Senator Thomas Saviello, and the Town of Alna.

Notwithstanding the Stipulating Parties' request that all parties indicate their final position on the Stipulation, the following parties have not so indicated: the Greater Franklin Development Council; Trout Unlimited; Mr. Darryl Wood; the Town of New Sharon, the Town of Jackman, Old Canada Road Scenic Byway, Inc.; and Franklin County Commissioner Terry Brann.

The Stipulating Parties understand that the Town of Wilton has reviewed the Stipulation and will determine whether or not to join it at a March 5, 2019 meeting. The Stipulating Parties also understand that the Town of Farmington, and potentially other municipality parties to this proceeding, will make similar determinations at appropriate

town meetings in the near future. The Stipulating Parties will inform the Commission and provide any executed signature pages, as applicable, in the event that any such party decides to join the Stipulation subsequent to this filing.

## **II. PARTIES JOINING THE STIPULATION REPRESENT A SUFFICIENTLY BROAD SPECTRUM OF INTERESTS.**

The Stipulating Parties represent a sufficiently broad spectrum of interests and constitute many of the active participants in the proceeding.

The OPA represents the “using and consuming public” in matters within the jurisdiction of the Commission, particularly the interests of residential and small commercial customers.<sup>3</sup> IECG represents the interests of industrial (large-scale) energy consumers before regulatory and legislative bodies.<sup>4</sup> On behalf of the Governor, the Governor’s Energy Office represents the people of Maine in creating “effective public and private partnerships that advance Maine’s energy security, economic development, and environmental health.”<sup>5</sup> The City of Lewiston represents the interests of Maine’s second-largest city, a municipality included within the NECEC project route.<sup>6</sup> Acadia Center is a nonprofit research and advocacy organization headquartered in Maine committed to advancing energy efficiency, clean transportation and heating, and the use of clean and renewable energy resources in the Northeast to reduce greenhouse gas (“GHG”) emissions. CLF is a nonprofit advocacy group with offices in Maine that advocates for

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<sup>3</sup> 35-A M.R.S. § 1702; Bob Bemis, *et al.*, *Request For Commission Approval To Investigate Central Maine Power’s Acts And Practices Concerning Its Line Extension Policies and Central Maine Power’s Filed Tariffs and/or Terms and Conditions on Line Extensions*, Docket No. 2005-00412, Order at 6 (“The Public Advocate is charged by statute to represent the using and consuming public before the Commission, including in matters related to rates, adequacy of service and terms and conditions of a public utility.”).

<sup>4</sup> Petition To Intervene Of The Industrial Energy Consumer Group at P 2 (Oct. 13, 2017).

<sup>5</sup> Governor’s Energy Office, “About Us,” available at <https://www.maine.gov/energy/about/index.html>.

<sup>6</sup> Though not parties to the proceeding and thus not signatories to the Stipulation, numerous other cities and towns throughout Maine have submitted letters of support for the NECEC on the Commission’s CMS filing system. See City of Lewiston (July 21, 2017); Town of Moscow (July 24, 2017); Town of Farmington (July 25, 2017); Town of Bingham (July 20, 2017); Town of Jay (July 21, 2017); Town of Livermore Falls (Sept. 18, 2017); Town of Wiscasset (Sept. 21, 2017); Town of Greene (Sept. 25, 2017); Town of Starks (Sept. 25, 2017); Town of Leeds (Sept. 27, 2017); Town of Whitefield (Oct. 10, 2017); Town of Anson (Oct. 24, 2017); Town of Pownal (Nov. 9, 2017); Town of Embden (Nov. 20, 2017); Town of Woolwich (Nov. 20, 2017); Town of Chesterville (Nov. 30, 2017); Town of Lewiston (Dec. 5, 2017); Town of Durham (Dec. 28, 2017); Town of Windsor (Jan. 23, 2018); Town of Industry (Apr. 28, 2018); and Resolution by the City of Auburn, Maine in Support of the NECEC (Mar. 19, 2018). In addition, the following counties have submitted letters in support of the NECEC on the Commission’s CMS website, and maintain their support for the project: Androscoggin County (Aug. 30, 2017); Franklin County (Oct. 18, 2017); and Somerset County (Jan. 3, 2018).

environmentally-friendly, clean energy solutions in New England and the northeastern U.S.<sup>7</sup> WMRC is a Maine nonprofit public benefit corporation formed for the purpose of expanding conservation of the Kennebec, Dead, Sandy, Moose, Sebasticook, and Carrabassett rivers; developing recreation projects; developing education programs about the history, ecology and uses of Maine's rivers; and expanding economic development opportunities along the rivers of Western Maine.<sup>8</sup> The Chamber is a statewide business association representing Maine businesses both large and small to further the state's business environment.<sup>9</sup> The IBEW is a trade union representing skilled Maine workers, including workers within CMP's service territory.<sup>10</sup>

The Stipulating Parties represent a sufficiently broad spectrum of interests to satisfy Commission requirements.<sup>11</sup> Despite the fact that some parties oppose the Stipulation,

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<sup>7</sup> See Conservation Law Foundation's Petition To Intervene at P 2 (Oct. 13, 2017); Petition To Intervene of Acadia Center at 1 (Mar. 29, 2018).

<sup>8</sup> Exhibit NECEC-25 at 1 (Memorandum of Understanding).

<sup>9</sup> Late Filed Petition To Intervene By The Maine State Chamber of Commerce at 1 (Sept. 10, 2018). In addition to the Chamber, and although not parties to the proceeding, the following economic organizations, businesses, government leaders, and private residents have submitted letters or testified in support of the NECEC: Greater Franklin Development Council (July 20, 2017); Associated General Contractors of Maine (July 21, 2017); Lewiston-Auburn Economic Growth (July 21, 2017); E.J. Carrier (July 24, 2017); and Former Gov. Paul LePage (July 25, 2017). See Public Hearing Tr. at 11-12 (Oct. 17, 2018) (Testimony of Selectwoman Judy Diaz highlighting the tax benefit for the town of Jay); *id.* at 12-14 (Testimony of Jason Levesque, Mayor for the City of Auburn, highlighting the economic benefits to Lewiston and the anticipated reduction in energy prices); *id.* at 23-25 (Bill Birney, a principal and director of construction projects at Stantec Consulting, emphasizing that the Commission's approval of the NECEC was, in fact, "a vote in confidence of the Maine construction industry which is a major industry in our state," and stated that the jobs generated by the NECEC will be filled by "folks that come from all over the state [who] are our neighbors and many of them graduates from our Maine colleges and universities."); *id.* at 25-27 (Adam Mancini, the utility division director at E.S. Boulos, further adding that "the MPRP project was, and the NEC[EC] project will be critical to the future success of our companies and essential to our Maine resident employees and their families, along with those Maine-based subcontractors and material suppliers we work with."); *id.* at 165-167 (Oct. 17, 2018) (Christian Savage, Executive Director of Somerset Economic Development Corporation); *id.* at 44-46 (Bob Meyers, Executive Director, Maine Snowmobile Association, statement read into the record by Peggy Dwyer); *id.* at 57-59 (Lawrence Perkins, resident of Readfield); *id.* at 94-97 (Lauren Walsh, resident of Livermore Falls); *id.* at 97-99 (Bruce Metrick, resident of Waldoboro); and *id.* at 106-111 (Dr. Lloyd Irland, former Director of Public Lands and State Economist, resident of Wayne). See also Public Hearing Tr. at 50-52 (Sept. 14, 2018) (Richard Anderson, Former Commissioner, Maine Department of Conservation and Executive Director, Maine Audubon Society); *id.* at 59-65 (Paul Frederic, resident of Starks); *id.* at 102-103 (Tom Donnelly, resident of Gorham); and *id.* at 108-111 (Tim Walton, on behalf of Cianbro).

<sup>10</sup> Late Filed Petition To Intervene By The International Brotherhood Of Electrical Workers Local Union 104 at 1 – 2 (Aug. 30, 2018).

<sup>11</sup> Within the rate case context, the Commission has held that "as a general matter, a stipulation entered into by the utility and the Public Advocate, which generally represent opposite view in the ratemaking process, constitutes a sufficiently broad spectrum of interests." Central Maine Power Company and Public Service of

CMP submits that the Stipulation satisfies the “primary purpose” of the sufficiently broad spectrum of interests standard in Chapter 110, as articulated in Docket No. 2008-00255, particularly:

[T]o ensure that the Commission does not approve stipulations where the signing parties represent only a narrow interest. The criterion is not intended to require, and does not mean, that all parties participating in a case must sign a stipulation for the Commission to approve it.<sup>12</sup>

The Stipulating Parties’ varied obligations, missions, and constituencies all demonstrate that the Stipulation has the support of a diverse group of stakeholders, and that the signing parties do not “represent only a narrow interest.”

### **III. THE SETTLEMENT PROCESS WAS FAIR TO ALL PARTIES AND THERE IS NO APPEARANCE OR REALITY OF DISENFRANCHISEMENT.**

The Stipulating Parties have agreed to the provisions of the Stipulation after fair, open, and transparent settlement negotiations based on extensive information presented in this proceeding and gathered through exhaustive discovery and discussions among CMP and the intervening parties, including the Stipulating Parties and Staff.

As the Commission is well aware, this proceeding commenced on September 27, 2017, and concerns CMP’s petition for a Certificate of Public Convenience and Necessity (“CPCN”) for the New England Clean Energy Connect Transmission Project (the “NECEC” or the “Project”). Upon issuance of the notice of proceeding on October 3, 2017, the Hearing Examiners established and administered a comprehensive litigation schedule throughout the proceeding, in accordance with which the parties submitted written and oral testimony, engaged in extensive discovery, and participated in adjudicatory hearings before the

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*(footnote continued)*

New Hampshire, *Request for Certificate of Public Convenience and Necessity for the Maine Power Reliability Program Consisting of the Construction of Approximately 350 Miles of 345 kV and 115 kV Transmission Lines (“MPRP”)*, Docket No. 2008-00255, Order Approving Stipulation at 20 (June 10, 2010). Although the proceeding in this docket is not a rate case, the Stipulating Parties represent interests far more diverse than the utility and the OPA, supporting the Stipulating Parties’ position that the Stipulation is supported by parties representing a sufficiently broad spectrum of interests.

<sup>12</sup> *Id.* (finding that a stipulation entered into by 19 of more than 100 parties to a CPCN proceeding, including the petitioning utility “the OPA, representatives of the environmental community, representatives of the business and construction communities, the City of Lewiston, and an abutter” satisfied the “first criterion for approval of a stipulation”).

Commissioners on October 19 and 22, 2018, and January 8, 9, 10, and 11, 2019, with initial and reply briefing following thereafter.<sup>13</sup>

During the case, CMP and interested intervenors participated in bilateral settlement discussions from time to time. In addition, Staff, CMP, and many of the intervenors participated in formal settlement conferences on September 7 and 14, 2018, and February 5 and 12, 2019. Staff provided advance notice of all such settlement conferences by procedural order or email notifications sent to all parties on the service list. None of the participating parties objected to Staff's participation in such settlement conferences.

All Intervenors had the opportunity to participate in the settlement conferences and there is no appearance or reality of disenfranchisement. All of the settlement conferences were publicly noticed in advance and the parties were given a reasonable opportunity to participate. Additionally, those intervenors who were active in the proceeding and who now oppose the Stipulation attended and participated in the settlement conferences (*e.g.*, Ms. Kelly, NRCM, the Generator Intervenors, and NextEra).

Subsequent to this extensive administrative process and numerous and open settlement negotiations, the Stipulating Parties adopted and executed the Stipulation, the major provisions of which are summarized below in Section V.

#### **IV. PARTIES' AGREEMENT TO COMMISSION STAFF RECOMMENDATIONS**

The Stipulating Parties have entered into the Stipulation based on the understanding that Staff takes no position on the Stipulation at this time and will instead present its recommended decision on the issues presented in this proceeding and on the Stipulation in a forthcoming Examiners' Report. The Stipulating Parties waive any rights that they have under 5 M.R.S. § 9062(4) and Chapter 110, Section 8(F)(4) of the Commission's Rules of Practice and Procedure to the extent necessary to permit Staff to discuss the Stipulation and the resolution of the issues addressed in the Stipulation with the Commissioners, either before or at the Commission's scheduled deliberations, without providing to the Stipulating Parties an Examiners' Report or the opportunity to file Exceptions.

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<sup>13</sup> The procedural schedule included a more than two-month continuance of evidentiary hearings to allow parties ample administrative process and time to review, seek discovery on, and provide written testimony regarding CMP's production of more than 97,000 pages of documents provided over 18 data production rounds, occurring from September 12, 2018 through December 4, 2018, in response to follow-up questions regarding ODR-014-004.

Despite such waiver, however, and on account of the fact that the Stipulation is opposed by some parties to this proceeding, the Stipulating Parties respectfully request that the Hearing Examiners' nonetheless issue an Examiners' Report in this matter that fully sets forth the Hearing Examiners' recommended findings on the litigated issues in this case and address the Stipulation in the discretion of the Hearing Examiners. The Stipulating Parties understand that the Hearing Examiners will issue such an Examiners' Report, and fully support that approach.

## **V. MAJOR PROVISIONS OF THE STIPULATION**

The Stipulation sets forth in full the terms by which the Stipulating Parties propose settlement of all issues in this matter. Accordingly, on behalf of the Stipulating Parties, CMP submits that the Commission refer to the Stipulation for the definitive articulation of its terms.<sup>14</sup> For ease of reference and consistent with the requirements of Chapter 110 of the Commission's Rules, this section provides a non-exhaustive summary of the major provisions of the Stipulation, for which the Stipulating Parties now respectfully seek Commission approval. Those major provisions fall into the following categories: (i) issuance of a CPCN for the NECEC; (ii) CPCN conditions; and (iii) nontransmission alternatives findings.

### **A. Issuance of A CPCN For The NECEC (Stipulation, Part V(A))**

Based on the record in this case, the Stipulating Parties recommend that the Commission issue an order which: (i) approves, accepts and adopts the Stipulation; (ii) finds that a public need exists for the NECEC on the basis that the Project, including the hydropower deliveries from Québec to New England it will enable, provides significant economic and reliability benefits, as well as significant carbon dioxide emissions reductions including from the increased use of electric vehicle and heat pump programs, among others, funded pursuant to this Stipulation; and (iii) grants a CPCN for the NECEC permitting the construction of the Project in accordance with the terms of the Stipulation.

The CPCN shall permit the construction of the NECEC's transmission lines and substation components listed in Attachment A of the Stipulation, and any additional related transmission facilities that ISO-NE determines are necessary to meet the requirements of (i) Section I.3.9 of the ISO-NE's *Transmission, Markets and Services Tariff* ("Tariff"); or (ii) ISO-NE's Capacity Capability Interconnection Standard ("CCIS"), all at no cost to Maine electricity customers, without further Commission review in this docket or otherwise.

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<sup>14</sup> To the extent that language in this cover letter conflicts with that of the Stipulation, the Stipulation shall govern.

Beginning on July 1, 2019, and every three (3) months thereafter until the NECEC is placed into commercial operation, NECEC LLC, as defined in the Stipulation, will file progress reports with the Commission summarizing any significant developments in the permitting, development, and construction of the NECEC.

## **B. CPCN Conditions (Stipulation, Part V(B))**

The Stipulating Parties respectfully request that Commission approval of the CPCN be subject to the specific CPCN Conditions set forth in the Stipulation and summarized below.

### **1. NECEC Project Ownership**

CMP will transfer and convey the NECEC to NECEC Transmission LLC (“NECEC LLC”), a Delaware limited liability company that is a wholly owned subsidiary within the Avangrid Networks family of companies and is not a subsidiary of CMP.

**Transfer Agreement.** CMP will transfer and assign to NECEC LLC, and NECEC LLC will assume the following interests, agreements, and assets under the NECEC Transfer Agreement, provided as Attachment B to the Stipulation: (i) real estate interests sufficient to construct and operate the High Voltage Direct Current (“HVDC”) transmission line between the Canada-United States border and Lewiston, Maine together with land for the construction and operation of a converter station in Lewiston, Maine, together with real estate interests needed to construct and operate a 345 kV alternating current (“AC”) transmission line from the converter station to CMP’s substation at Lewiston, Maine, and together with certain land offered as compensatory mitigation for environmental permits related to the NECEC and the right to purchase additional land to access the converter station (the “Real Estate Interests”); (ii) all project land use permits and pending applications for such permits (the “Permits”); (iii) the Transmission Service Agreements among CMP, the Massachusetts Electric Distribution Companies (“Massachusetts EDCs”) and H.Q. Energy Services (U.S.) Inc. (“HQUS”) (the “TSAs”); (iv) all NECEC vendor and service provider agreements and certain agreements between CMP and HQUS, Hydro-Québec, and WMRC; and (v) other tangible and intangible assets, including designs, plans and other work product of CMP or vendors related to the NECEC, and intellectual property related to the NECEC.

**NECEC Transfer Consideration.** As consideration for the conveyance and transfer of the NECEC as set forth in NECEC Transfer Agreement, NECEC LLC will pay CMP the sum total of \$60,000,000, payable in forty (40) equal installments of \$1,500,000 each year commencing on the date the NECEC first achieves commercial operation (the “Commercial Operation Date” or “COD”) and continuing on each anniversary thereof. All payments by



NECEC LLC to CMP under the NECEC Transfer Agreement will be disbursed by CMP as part of the NECEC Rate Relief Fund as set forth in Section V.B, Paragraph 5 of the Stipulation and summarized below.

**Service Agreement.** On the transfer of the NECEC, CMP and NECEC LLC will enter into a service agreement substantially in the form of the Service Agreement provided as Exhibit H to Stipulation Attachment B.

**Other NECEC Transfer Commitments.** CMP and NECEC agree and commit to various other transfer provisions as set forth in the Stipulation. In summary:

- CMP and NECEC LLC will complete the transfer of the NECEC before construction of the NECEC commences.
- NECEC LLC will not participate in any money pooling arrangement, credit facility or other financing agreement with CMP without prior approval of the Commission.
- CMP and NECEC LLC will make such accounting entries as are necessary in order to remove NECEC related development expenses from CMP's books and accounts.
- NECEC LLC will put in place and maintain a guaranty by AVANGRID, Inc., or its successor, with respect to NECEC LLC's payment obligations to CMP under the NECEC Transfer Agreement and NECEC LLC's payment obligations for the Heat Pump Fund (Section V.B, Paragraph 7), the Dirigo EV Fund (Section V.B., Paragraph 8(a)), the Franklin County Host Community Benefits Fund (Section V.B., Paragraph 9) and the Education Grant Funding (Section V.B., Paragraph 10) for as long as such payment obligations exist; provided, however, that such guaranty may be terminated in the event that NECEC LLC obtains and maintains a credit rating from a nationally recognized rating organization that is satisfactory to the Commission in its discretion. NECEC LLC also agrees to grant a first priority security interest to CMP in NECEC LLC's payment rights under the HQUS Support Agreement or related Hydro-Québec guaranty or other credit support discussed in Section V, Paragraph 14 below for the purpose of funding the NECEC Low-Income Customer Benefits Fund and the NECEC Rate Relief Fund. NECEC LLC further covenants not to amend, fail to vigorously enforce, or waive any provision of the HQUS Support Agreement or any guaranty provided by Hydro-Québec or other credit support relating to HQUS's obligations under the HQUS Support Agreement in a manner that could impair any payment obligation of either entity to NECEC LLC.

- NECEC LLC and CMP will cooperate in good faith to facilitate access to the use of the NECEC transmission corridor for ATV, snowmobile and other recreational uses, consistent with applicable laws, regulations, ordinances, permits and licenses and CMP's generally applicable standards and practices.
- NECEC LLC will not use CMP's brand name, reputation or customer relations to its benefit and will not engage in joint marketing or joint advertising with CMP at any time.
- Maine transmission and distribution customers shall not be legally or financially responsible for any portion of NECEC LLC's revenue requirement for the NECEC Transmission Project accruing during at least the first 40 years of the useful life of the NECEC.
- CMP and NECEC LLC will not take or support any action to modify the cost recovery mechanism applicable to the NECEC that would result in Maine transmission and distribution customers being legally or financially responsible for any portion of NECEC LLC's revenue requirement for the NECEC accruing during the first 40 years of the useful life of the project, without first obtaining Commission approval for such change.
- The Stipulation shall not prohibit Maine electricity customers from directly, or through a third party such as the Maine transmission and distribution utilities as approved by the Commission or a Maine competitive energy provider as approved by the Commission, purchasing energy provided through the 110 MW of the NECEC transmission capacity not contracted for by the Massachusetts EDCs pursuant to the Section 83D RFP even if that purchase has the effect of directly or indirectly paying for a portion of the revenue requirement for the NECEC.

**NECEC Network Upgrades.** Upgrades to certain of CMP's existing transmission facilities will be necessary to permit the interconnection of the NECEC to the transmission system administered by ISO-NE in accordance with ISO-NE's applicable standards. NECEC LLC will complete all such upgrades as determined by ISO-NE through the necessary studies (currently underway and scheduled for completion in Q-3 2019) to ensure a total transfer capacity at the Surowiec-South Interface of no less than 2,600 MW. NECEC LLC will pay all costs associated with such upgrades. Upon completion, the Network Upgrades shall remain the property of CMP, and CMP will be responsible for the operation and maintenance of such transmission facilities, and will be subject to all applicable provisions of the Stipulation, as set forth therein.

**Affiliate Transactions.** CMP and NECEC LLC will obtain Commission approval of all affiliate transactions related to the NECEC that require approval under Maine law, including, without limitation, any interconnection agreement and relevant affiliate service agreement. Any amounts charged to NECEC LLC for services provided by affiliates will not count towards any annual cap on total affiliate charges applicable to CMP and other Avangrid affiliates within Maine. NECEC LLC, CMP and other affiliates may share employees, directors, officers and information as necessary for the construction, operation and maintenance of the NECEC.

**Compliance Filing.** Prior to the commencement of construction of the NECEC, CMP and NECEC LLC will make a compliance filing which confirms completion of the transfer of the NECEC from CMP to NECEC LLC in accordance with the terms of the Stipulation and provides the AVANGRID, Inc. guaranty and first priority security interest called for in Section V.B. Paragraph 1(d)(iv) of the Stipulation.

## **2. Transmission Rates Customer Credit**

Effective with the 2019 rate change for transmission customers, CMP will provide a rate credit for RNS and LNS transmission customers totaling \$1.005 million. This credit reflects the amounts paid in rates by RNS and LNS transmission customers for those portions of the transmission corridor necessary for the NECEC that have been included in FERC Account 105 for Plant Held for Future Use, plus carrying costs calculated using the FERC refund formula. Upon the issuance of the CPCN for the NECEC, CMP will remove on a going forward basis all NECEC-related property from FERC Account 105 – Plant Held for Future Use.

## **3. New Corridor Removed from Transmission Rates**

Upon the issuance of the CPCN for the NECEC, CMP will classify the unused portion of the transmission corridor it has assembled from the Canada-United States border in Beattie Township to the Company's existing Section 222 transmission corridor as Non-Operating Property in Account 121 of FERC's Uniform System of Accounts until such time as CMP identifies with clarity a specific transmission project for development in such transmission corridor in accordance with applicable FERC requirements. CMP agrees that it will not seek to recover the cost of this unused portion of transmission corridor through transmission rates by reclassifying the property as Plant Held For Future Use in Account 105 of FERC's Uniform System of Accounts or by any other means, unless the transmission project that will use this corridor is otherwise eligible for rate recovery in whole or in part from Maine retail customers pursuant to the then applicable FERC-approved transmission tariff.

#### **4. NECEC Low-Income Customer Benefits Fund**

NECEC LLC will establish a \$50,000,000 NECEC Low-Income Customer Benefits Fund to fund one or more programs that benefit low-income energy customers in Maine in a manner designated by the OPA, in consultation with the Efficiency Maine Trust and the Governor's designee(s). NECEC LLC will provide such funding through annual payments to the program(s) identified by the OPA, in consultation with the EMT and the Governor's designee(s), of \$1,250,000, beginning on the NECEC COD and continuing for a period of forty (40) years. Such funding may be used to fund programs to reduce the amounts that low-income customers expend for energy and may include weatherization and household energy efficiency programs. In designating uses for these funds, the OPA, in consultation with EMT and the Governor's designee(s), may apply a preference for low-income energy customers in the NECEC Host Communities, which are defined for purposes of the Stipulation as the municipalities and communities in which the NECEC Core Project Elements and Network Upgrades as identified in Attachment A to the Stipulation are located and other municipalities and communities in Franklin and Somerset Counties materially impacted by the construction and operation of the Project.

#### **5. NECEC Rate Relief Fund**

NECEC LLC and CMP will establish a \$140,000,000 NECEC Rate Relief Fund to be used to provide per kilowatt hour rate relief for retail electricity customers within CMP's service territory. To fund the NECEC Rate Relief Fund, CMP will contribute the annual \$1,500,000 transfer payments to be received from NECEC LLC. NECEC LLC will also make annual contributions to the NECEC Rate Relief Fund of \$2,000,000 beginning on the NECEC COD and continuing thereafter for a period of forty (40) years. CMP will each year seek to sell or otherwise monetize for maximum value the Environmental Attributes provided by HQUS in accordance with NECEC Support Agreement (summarized below) and will contribute those funds to the NECEC Rate Relief Fund. CMP will then credit the \$3,500,000 contributed annually to the NECEC Rate Relief Fund plus the proceeds from the sales of the Environmental Attributes, net of expenses to complete such sales, to CMP's stranded cost account or such other account as the Commission may determine in the future will provide comparable per kilowatt hour sharing by all retail electricity customer classes within CMP's service territory.

#### **6. Broadband Benefit**

The NECEC will include the necessary facilities and equipment to provide additional fiber optic capacity on the NECEC HVDC transmission line and other AC transmission lines included within the Network Upgrades for the benefit of the State of Maine and in the host communities through which the NECEC transmission lines will run, with an estimated

value of \$5,000,000. CMP and NECEC LLC will also construct the necessary infrastructure to provide access to this fiber optic capacity at major road crossings or other appropriate access points along the project route.

NECEC LLC, in consultation with ConnectME, the Governor's designee(s), OPA, and HQUS, will establish a \$10,000,000 NECEC Broadband Fund. HQUS will contribute five (5) annual contributions of \$2,000,000 to the fund starting on the NECEC COD. The fund will be available to support high speed broadband infrastructure in the NECEC host communities, and particularly for the payment of costs relevant to:

- Study of, and as feasible, the implementation and construction of a fiber optic connection between the State of Maine and the fiber optic network serving Montréal, Province of Québec through NECEC, pursuant to the NECEC Support Agreement summarized below, provided that no more than \$2,000,000 of the NECEC Broadband Fund may be used for these purposes;
- Establishment of public/private partnerships to expand the availability of high speed broadband in the host communities or ongoing project management to expand and maintain the availability of high speed broadband in such communities, including providing broadband service to public buildings where citizens may access the service for personal or business use; and
- Pole license fees in unserved and underserved areas; or make-ready costs for utility poles in such areas.

## **7. Heat Pump Benefit**

NECEC LLC will establish a \$15,000,000 NECEC Heat Pump Fund for the installation in Maine of heat pumps or other future efficient heating technologies that are as efficient, or more efficient, than the most efficient heat pumps agreed to by the OPA, the Governor's designee(s), CLF, Acadia Center, and IECG in consultation with EMT". Certain of the Stipulating Parties, in consultation with EMT, as set forth in the Stipulation, will determine program specifications, and such specifications may include a preference for targeted initiatives to reach low- and moderate-income individuals and communities. HQUS and NECEC LLC will contribute to the fund as follows:

- Starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof, HQUS will contribute \$2,000,000 to the fund NECEC Heat Pump Fund, pursuant to the NECEC Support Agreement, summarized below;

- On the fifth and sixth anniversaries of the NECEC COD, NECEC LLC will make annual contributions of \$2,000,000 to the fund; and
- On the seventh anniversary of the NECEC COD, NECEC LLC will make a contribution of \$1,000,000 to the fund.

### **8. NECEC Electric Vehicle (“EV”) Funds**

NECEC LLC, in consultation with certain of the Stipulating Parties and with the support of HQUS, as set forth in the Stipulation, will establish two funds totaling \$15,000,000 to expand the numbers of electric vehicles (“EVs”) in Maine and maximize access and exposure in Maine to EVs and EV infrastructure. The two funds are summarized in brief below.

- **The Dirigo EV Fund:** This fund will be used to provide: (1) rebates to defray the cost of charging installations in Maine; and (2) consumer rebates for the purchase of qualifying EVs by Maine residents. The fund will be managed pursuant to a written agreement between CLF, Acadia Center, and the Governor’s designee(s) prepared in consultation with CMP and NECEC LLC. NECEC will fund the fund through a \$5,000,000 contribution. CLF, Acadia Center, and the Governor’s designee(s) may elect that NECEC LLC make such contribution through either a lump sum payment based on documented program needs or through alternative annual contributions, established by CLF and Acadia Center, consistent with the Stipulation. If CLF, Acadia Center, and the Governor’s designee(s) elect that the NECEC EV Fund be funded by a lump sum payment, CLF, Acadia Center, and the Governor’s designee(s) shall provide NECEC LLC with detailed written descriptions of any such initiatives or programs to be funded with any such payment, including details as to the magnitude and timing of the funding requirements of such initiatives or programs. NECEC LLC, CLF, Acadia Center and the Governor’s designee(s) shall select a party to design the rebate program and/or administer the distribution of the Dirigo EV Fund. NECEC LLC will reimburse the Dirigo EV Fund up to \$50,000 for the charges for such program design and/or administration related work. The programs or initiatives funded by the Dirigo EV Fund, where applicable, shall be designed to: (i) facilitate competitive development of charging stations by third parties; (ii) coordinate with other policy programs including Volkswagen settlement Appendix D expenditures; (iii) include targeted initiatives to reach low- and moderate-income individuals and communities in Maine; and (iv) exclude transmission and distribution utility ownership of end use charging stations, except in cases of market failure.

- **The Hydro-Québec EV Fund:** The \$10,000,000 Hydro-Québec EV Fund will be used to fund the deployment of a statewide fast and ultra-fast public charging infrastructure network for EVs in Maine. Hydro-Québec will collaborate with CMP, OPA, IECG the Governor's designee(s), and other interested stakeholders in developing this network, which will enable Maine EV drivers and visitors to enjoy safe electric travel across the state, with the guaranteed availability of fast chargers at regular intervals of distance. This charging network will be compatible with other public networks already present in Maine and neighboring jurisdictions and will be operated and supported by Hydro-Québec. The Stipulating Parties will provide for public ownership of the equipment comprising, and general public access rights to reasonably use and enjoy, the EV charging infrastructure network developed pursuant to the Hydro-Québec EV Fund, each for the useful life of such equipment or charging infrastructure. The Hydro-Québec EV Fund will be funded through five payments of \$2,000,000 by HQUS starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof, pursuant to the NECEC Support Agreement, summarized below.

## **9. Franklin County Host Community Benefits**

NECEC LLC will establish a \$5,000,000 NECEC Franklin County Host Communities Fund for the benefit of communities in Franklin County and will contribute to this fund ten (10) annual payments of \$500,000 starting on the NECEC COD and continuing annually thereafter. The fund will provide grant funding to support the charitable mission of the Greater Franklin Development Council ("GFDC"), a 501(c)(3) economic and community development organization operating for the benefit of Franklin County residents. NECEC LLC and GFDC will administer the fund on a collaborative basis, and will disburse funds through a grant process that requires applicants to demonstrate the availability of matching funds, with applications for projects to help low-income citizens of Franklin County given priority.

## **10. Education Grant Funding**

NECEC LLC will contribute \$6,000,000 for education- related grants and programs. Once the NECEC receives all state permits and approvals, NECEC LLC will contribute \$1,000,000 to Maine Prime Technologies LLC at the University of Maine to fund research and development activities associated with marine wind generation technology commercialization. Starting on the NECEC COD, NECEC LLC will make ten annual contributions of \$500,000 to fund (i) internship programs and scholarships for needy Maine students to attend the University of Maine Farmington totaling \$1,000,000 over ten

years (\$100,000 per year); and (ii) vocational programs, scholarships and training in math, science and technology for the School Districts within Franklin and Somerset Counties, or such programs and scholarships for Maine Community Colleges that serve students from Franklin and Somerset Counties, totaling \$4,000,000 over ten years (\$400,000 per year). The Stipulating Parties agree to establish a governing board for the administration and use of the latter funds. Such board shall include two representatives from school districts in Franklin County, two representatives from Somerset County, and three representatives designated by the Maine Governor.

#### **11. Mitigating NECEC's Impacts on Transmission System and Existing and Future Maine Energy Resources**

CMP and NECEC LLC will actively participate in all ISO-NE studies to determine the thermal, voltage and stability ratings for the Surowiec-South interface applicable upon the completion of the NECEC and, consistent with good utility practice, advocate to ISO-NE to maximize the stability rating and the total transfer capacity at that interface after the completion of the NECEC so that such rating is as close as possible to the expected thermal and/or voltage limits (2812 MW and 2930 MW, respectively) for that interface. Such advocacy will address the reasonableness of applicable study assumptions and planning criteria and the appropriate balance between system reliability and achievement of New England's clean energy public policy objectives, and will occur through direct interaction with ISO-NE and at appropriate stakeholder and ISO-NE committee meetings.

CMP, CLF, Acadia Center, the Governor's designee(s), OPA, IECG and other interested stakeholders will engage mutually agreed-upon transmission consultant(s), through a request for proposals or other agreed upon method that establishes minimum consultant qualifications, to evaluate and report on potential transmission and non-wires solutions (including but not limited to large scale solar and storage), and their costs, that would reduce existing and projected congestion at the Maine/New Hampshire interface and at the Surowiec-South interface. CMP will pay for this study, the costs of which shall not exceed \$2,000,000, and the study shall be commenced once all applicable permits and approvals for the construction of the NECEC transmission project in Maine are received and Hydro-Québec receives all applicable permits and approvals for the construction of the interconnecting transmission facilities in Québec. CMP will not recover study costs from electricity customers.

For any cost effective and commercially viable transmission and non-wires solution(s) identified in the Maine/New Hampshire and Surowiec-South interface report, CMP agrees to fully assess and pursue all available means of approval and cost allocation pursuant to the ISO-NE Tariff, including but not limited to as a Reliability Transmission Upgrade, a Market Efficiency Transmission Upgrade or a Public Policy Transmission



Upgrade, or as part of any future solicitation for clean energy and transmission capacity. If a viable mechanism is determined to fund such solutions, CMP agrees to propose such solution(s) in any applicable competitive solicitation, including without limitation any solicitation conducted under the ISO-NE Tariff, and, if such proposal is selected in such solicitation, seek all necessary permits and approvals to implement such solution(s) in accordance with the then terms of the ISO-NE Tariff. In pursuing the development of such cost effective and commercially viable transmission and non-wires solution(s), CMP and its parent company, Avangrid Networks, will all bear commercial risk associated with the development of the project.

Within one-year of NECEC COD, CMP shall create and make available an annual electric transmission and distribution system report for public notice (subject to CEII provisions) analyzing system needs that may potentially be met by non-wires alternatives (“NWAs”). This report will detail capacity and load by substation and circuit, and identify corresponding growth-related investments. This report will also include a detailed description of CMP’s planning and decision-making related to NWAs during the year, including transparency into the application of its NWA suitability criteria. CMP will work to develop and implement systems and analyses that can provide heat maps that: (i) show where integration of distributed generation is least likely to require substantial upgrades (i.e., hosting capacity maps); (ii) show the electric load on the electric distribution system, including electric loads during peak electricity demand time periods; and (iii) highlight the most congested or constrained areas of the electric distribution system. CMP will also support policies and regulations that seek to evaluate NWAs against traditional transmission and distribution projects through (i) the use of competitive solicitations and (ii) the use of compensation mechanisms that create incentives to place NWAs on an equal footing from a ratemaking perspective. Such tools and heat maps will be available within one-year after NECEC COD.

All such commitments summarized in this section are subject to Commission issuance of a CPCN for the NECEC; receipt of all other necessary permits and approvals for the NECEC including, but not limited to, those issued by the MDEP, the LUPC, the USACE and the MDPU; and (iii) Hydro-Québec receipt of all applicable permits and approvals for the construction of the interconnecting transmission facilities in Québec.

## **12. Commitment to Long-term Planning for Regional Decarbonization**

As part of a regional decarbonization collaborative comprised of CLF, Acadia Center, utilities, the Governor’s designee(s), OPA, IECG and other stakeholders, CMP and NECEC LLC will work with the collaborative to jointly select and hire a consultant to perform an analysis of the means by which the Northeast Region may achieve economy-wide decarbonization of zero emissions by 2050 as called for by the most recent report of the

Intergovernmental Panel on Climate Change. CMP will contribute at least 50 percent of the cost of this study and associated selection process, in an amount that shall not exceed \$500,000. As a member of the collaborative, CMP or through an Avangrid affiliate will actively engage in a regional stakeholder process to introduce and receive input on the analysis and assess potential actions by which state policymakers could advance decarbonization in each energy consumption sector. CMP agrees that it will not seek to recover the costs of this study from electricity customers.

CMP or an affiliate will work with a stakeholder group made up of CLF, Acadia Center, the Governor's designee(s), OPA, IECG, and other stakeholders (to be chosen by a process agreed to by CMP, CLF, Acadia Center and the Governor's designee(s)) to research and develop a set of utility policies and actions, and state regulatory reforms, that can most effectively facilitate economy-wide decarbonization in the region. CMP (directly or through an Avangrid affiliate), will work with this stakeholder group to develop a consensus around these approaches, draft proposed regulatory and legislative provisions by which the consensus approaches can be authorized, and actively seek state approval and implementation of them. The commitments set forth in this section are subject to (i) a CPCN being granted for the NECEC and (ii) NECEC LLC receiving all other necessary permits and approvals for the NECEC including, but not limited to, those issued by the MDEP, the LUPC, the USACE and the MDPU.

### **13. Securitization**

CMP, OPA, the Governor's Energy Office and IECG agree that electricity customers in Maine may benefit if the annual payments to the NECEC Low-income Customer Benefit Fund summarized above and the annual payments to the NECEC Rate Relief Fund, also summarized above, are leveraged through securitization. To facilitate that result and if possible, NECEC LLC, upon the NECEC COD, will establish a fund of \$1,000,000 to be used to pay for any investment bank, investment advisor or consultant and/or legal fees incurred by OPA, the Governor's designee(s), IECG and CMP related to such securitization. If these funds are not required to complete the securitization of either the NECEC Low-income Customer Benefit Fund or the NECEC Rate Relief Fund, any remaining balance will be disbursed to CMP to provide rate relief to customers.

### **14. HQUS Support Agreement**

To confirm HQUS's commitments as set forth in the Stipulation, CMP, NECEC LLC and HQUS will enter a binding agreement enforceable under Maine law. Prior to the commencement of construction of the NECEC, NECEC LLC will file this HQUS Support Agreement and the Hydro-Québec guaranty or other credit support called for therein with

the Commission as a compliance filing in this docket. The HQUS Support Agreement will reflect:

- HQUS's commitment to provide CMP annually 400,000 MWh of environmental attributes related to deliveries of hydroelectric power to New England over the NECEC or otherwise (the "NECEC Environmental Attributes") for a twenty (20) year period starting in the first full year after NECEC COD, subject to the particular requirements of the Stipulation;
- Hydro-Québec's commitment, as feasible, to include sufficient fiber optic capacity in the Québec transmission facilities interconnecting to the NECEC to provide a fiber optic connection between the State of Maine and the fiber optic network serving Montreal, Province of Québec;
- HQUS's commitment to contribute \$10,000,000 to the NECEC Broadband Fund through five payments of \$2,000,000 starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof and to share its expertise on broadband infrastructure;
- HQUS's commitment to contribute \$10,000,000 to the NECEC Heat Pump Fund through five payments of \$2,000,000 starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof;
- Hydro-Québec's commitment to share its expertise with respect to EV infrastructure in developing the programs and initiatives funded by the Hydro-Québec EV Fund for the benefit of the State of Maine;
- HQUS's commitment to contribute \$10,000,000 to the Hydro-Québec EV Fund through five payments of \$2,000,000 starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof;
- HQUS's commitment to pay NECEC LLC annually \$3,500,000 beginning on the NECEC COD and continuing on each anniversary thereof for a period of forty (40) years in addition to all amounts due under the TSAs; and
- A guaranty from Hydro-Québec of HQUS's payment obligations under the HQUS Support Agreement or such other appropriate credit support for such obligations as the parties to the HQUS Support Agreement agree.

### **15. Maine Workers Preference**

All other factors being equal and consistent with applicable law and applicable labor agreements, NECEC LLC, and its contractors working on the construction of the NECEC will give preference to hiring Maine workers.

### **16. Funding Commitments Conditions Precedent**

The following funding commitments set forth in Section V.B of the Stipulation are conditioned on the NECEC achieving commercial operation:

- Paragraph 4 (NECEC Low-Income Customer Benefits Fund)
- Paragraph 5 (NECEC Rate Relief Fund)
- Paragraph 6 (Broadband Benefit)
- Paragraph 7 (Heat Pump Benefit)
- Paragraph 8(b) (The Hydro-Québec EV Fund)
- Paragraph 9 (Franklin County Host Community Benefits)
- Paragraph 10(b) (Education Grant Funding)

### **C. Nontransmission Alternatives Findings (Stipulation, Part V(C))**

The Stipulation also sets forth the Stipulating Parties' recommendation that, based on the record in this proceeding, the Commission find that no nontransmission alternative ("NTA"), whether large-scale generation, distributed generation, demand response resource, or conservation alternative, can feasibly substitute for the NECEC at a lower cost to Maine electricity customers. The NECEC will serve the public need by transmitting up to 1,200 MW of hydropower energy from Québec to New England, effectively replacing retiring baseload generation, and providing the State of Maine with its first transmission interconnection with the vast Hydro- Québec hydropower generation system. No NTA has the technical capability, size or scale to satisfy this public need, and even if an NTA could meet this public need, no such alternative could so do at a lower total cost to Maine electricity customers, since no NECEC related costs will be borne by Maine electricity customers.

## **VI. THE OVERALL STIPULATED RESULT IS IN THE PUBLIC INTEREST.**

The NECEC will enable the delivery of up to 1,200 MW of clean and renewable hydropower from Hydro-Québec<sup>15</sup> for at least 40 years, upon the project's commercial operation date, expected in December 2022. The transmission service rights to use the NECEC to deliver this hydropower (and in turn NECEC LLC's revenue requirement) will be paid for entirely by HQUS and the electricity ratepayers of the Massachusetts EDCs in Massachusetts. The Stipulation is in the public interest because the NECEC and the hydropower that it will deliver from Québec to New England will provide, at no cost to Maine electricity customers, (i) lower electricity supply prices, reduced reliance on fossil fuel generation, and material energy price protection in natural gas price spike events; (ii) increased reliability for Maine and the ISO-NE region, by delivering baseload energy to replace retiring resources, as well as other reliability benefits associated with the NECEC's providing an additional inertia between ISO-NE and Québec and transmission system upgrades associated with the NECEC; (iii) carbon dioxide emissions reductions as a result of the Project including the increased use electric vehicle and heat pump programs in Maine, among others, funded pursuant to the Stipulation, which advance Maine's progress toward meeting its long-term greenhouse gas ("GHG") emissions reductions goals; (iv) economic benefits in the form of jobs and additional property tax revenues; and (v) significant other benefits including a rate relief fund, a low-income customer benefits fund, a broadband benefits fund, a heat pump benefits fund and electric vehicles benefits funding, among other material benefits.

### **A. The NECEC will Provide Lower Electricity Supply Prices, Reduced Reliance on Fossil Fuel Generation, and Material Energy Price Protection in Natural Gas Price Spike Events.**

The NECEC will lower electricity supply prices in Maine by injecting 1,200 MW of hydroelectric energy into the ISO-NE energy market. Three different parties in the proceeding, CMP (through its consultant, Daymark Energy Advisors), the Staff's consultant London Economics International Inc. ("LEI"), and the Generator Intervenors, offered an analysis of the impact of the energy delivered by the NECEC on wholesale energy prices in the ISO-NE wholesale energy market.<sup>16</sup> All three analyses found that the NECEC will reduce

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<sup>15</sup> The hydropower that will be delivered on the NECEC will be generated by Hydro-Québec Production ("HQ Production"), the business unit within Hydro-Québec that operates Hydro-Québec's hydro generation units and markets the energy and capacity produced by those units within Québec and regionally.

<sup>16</sup> Exhibit NECEC-5 (NECEC Transmission Project: Benefits to Maine Ratepayers, Daymark Energy Advisors) (hereinafter "Daymark Report") at 10-12; London Economics International, LLC, Independent Analysis of Electricity market and Macroeconomic Benefits of the New England Clean Energy Connect Project (May 21, 2018) (hereinafter "(LEI Report)" at 10-11, 22-23; Direct Testimony of Tanya Bodell at 23-26 (Apr. 30, 2017) (hereinafter "Bodell Direct"). NextEra also conducted production cost modeling presented by the Whitley,

wholesale and retail electricity prices in Maine and throughout New England, and only differed on the magnitude of those benefits based on alternative methods and assumptions. Taken together, the models set forth by LEI, the Generator Intervenors, and Daymark delineate a potential range of energy price suppression benefits from the NECEC, with LEI on the low end at \$13 million per year in retail energy price suppression benefits, the Generator Intervenors in the middle at \$26-\$36 million wholesale energy price suppression benefits for the year 2023, to Daymark on the high end at \$44 million per year in wholesale energy price suppression benefits. Although there is uncertainty with respect to the exact magnitude of the NECEC's energy price suppression benefits due to fluctuating natural gas prices and other factors that affect the ISO-NE wholesale energy markets, the evidence in this proceeding demonstrates that the NECEC will result in significant energy supply price savings for the people and businesses of Maine.

By delivering firm, clean hydroelectric energy in all hours of the year, the NECEC will also reduce the demand for fossil fuels across all hours of the year. Because of these reductions, the NECEC will also protect Maine's electricity customers from the natural gas price volatility, particularly during winter periods when natural gas supplies in the region are constrained. While this "hedge" benefit is difficult to quantify on a prospective basis, both Daymark and LEI examined the savings that electricity customers will realize if the NECEC is in service during a natural gas price spike similar to the one that occurred during the winter of 2013-2014, when New England experienced extremely cold temperatures. Daymark's analyses concluded that the NECEC would have saved Maine electricity customers approximately \$42 million over the four-month period. Similarly, LEI examined the Polar Vortex event that occurred on January 24 through January 28, 2014, and found that if the NECEC had been in service during just this five-day period, it would have reduced energy prices by \$37/MWh on average, which equates to an "insurance" value for customers across New England (not just Maine) of approximately \$72.3 million for the period.<sup>17</sup> In light of the fact that ISO-NE has identified that the New England region will continue to face challenges posed by natural gas constraints because the regional power system is increasingly dependent on natural gas for power generation and the adequacy of the capacity of the region's natural gas infrastructure to deliver all the gas needed for both heating and power generation during winter has been challenged, there is no indication that natural gas price volatility will abate in the near term. Accordingly, the NECEC will provide important fuel diversity that will mitigate the economic impact to Maine electricity customers of natural gas price spikes during cold winter periods of high demand.

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*(footnote continued)*

Wang and Mayers panel. NextEra did not use this model to quantify the electricity price suppression benefits Maine will realize, but the panel did acknowledge that the NECEC will cause electricity price suppression. 10/22/18 Conf. Hearing Tr. at 9:19.

<sup>17</sup> LEI did not provide a breakdown of the 2013-2014 Polar Vortex benefits to Maine electricity customers.

**B. The NECEC will Provide Increased Reliability for Maine and the ISO-NE Region, By Delivering Baseload Energy to Replace Retiring Resources, As Well as Other Reliability Benefits Associated with the NECEC's Providing an Additional Intertie Between ISO-NE and Québec and Transmission System Upgrades Associated With the NECEC.**

The NECEC, backed by the HQ Production system of reservoirs, will deliver at least 1,090 MW of hydropower energy from Québec into New England in all hours of the year for at least the next twenty years. Once the NECEC obtains its approvals and ISO-NE is able to reflect this resource in its reliability review modeling for purposes of ISO-NE's interim fuel security solution, the NECEC will reduce the likelihood of conditions occurring that would trigger the need for ISO-NE to enter into a cost-of-service fuel security agreement.<sup>18</sup>

Over the longer term, it is still somewhat unclear whether ISO-NE will implement an energy market and ancillary services market mechanism to address fuel security in the region or whether they will adopt a capacity-based mechanism to address fuel security issues. Regardless of which market mechanism ISO-NE adopts as its permanent fuel security solution, by providing 1,090 MW of hydroelectric power in all hours of the year for 20 years starting in late 2022, backed by HQ Production's extensive reservoir system, the NECEC is well positioned to mitigate the cost of any new fuel security market mechanism adopted by ISO-NE by increasing the supply of fuel-secure, non-natural gas fired energy in New England.

Additionally, the NECEC will provide other transmission reliability benefits to Maine and the region. The principal element of the NECEC is the new +/-320 kV HVDC transmission line between the Applaches Substation in Thetford Mines, Québec and the new Merrill Road Converter Station in Lewiston, Maine. This line will establish an additional 1,200 MW intertie between Québec and the New England transmission system, which will provide important redundancy between the Québec and New England systems and will better protect the region in the event of the loss of the existing Phase II intertie, one of the largest possible losses of supply in New England.

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<sup>18</sup> Alternatively, if the Commission were to decline to issue the CPCN for the NECEC, this would undermine the binding and enforceable nature of the NECEC TSAs and PPAs between the Massachusetts EDCs, HQUS, and CMP, which would in turn bar ISO-NE from including the NECEC in its fuel security reliability review model assumptions, because ISO-NE will only include in its modeling state contract resources that have binding and enforceable contracts in place. This result will reduce the assumed import capacity in ISO-NE's modeling and increase the likelihood that a cost-of-service fuel security agreement will be needed to address fuel security concerns.

The network upgrades that are part of the NECEC will provide additional transmission system reliability benefits to the Maine and region at no cost to Maine electricity customers. The NECEC network upgrades will increase the transfer limits at the Surowiec-South interface from 1,600 MW to 2,600 MW and increase system redundancy through construction of a parallel 345 kV line between the Coopers Mills Road Substation and the Maine Yankee Substation (Section 3027). The rebuilding of the 115 kV lines (Sections 62 and 64) out of the Larrabee Road Substation will increase the capacity of these lines and add redundancy and transmission capacity to the transmission system across central Maine.

The NECEC also includes construction of a 345/115 kV 448 MWVA Autotransformer at the existing Raven Farm Substation in Yarmouth. The Raven Farm Autotransformer is a transmission system upgrade identified in the ongoing Commission proceeding in Docket No. 2011-00138 as a solution for reliability needs in the Portland area for projected future loads in the 2025 timeframe. Construction of the Raven Farm autotransformer as part of the NECEC would provide this reliability solution for Portland area needs at no cost to Maine electricity customers.

**C. The NECEC will Provide Carbon Dioxide Emissions Reductions, Advancing Maine's Progress Toward Meeting its Long-Term GHG Emissions Reductions Goals.**

Through the Climate Change Act, 38 M.R.S. § 576, (the “Act”), Maine adopted the near-term, mid-term, and long-term framework for reductions of GHG emissions within the State.<sup>19</sup> Specifically, the Climate Change Act set forth a short-term GHG emissions reduction goal to meet Maine’s 1990 GHG emission levels by 2010, a mid-term goal for GHG levels to be 10% less than 1990 levels by 2020, and a long-term goal to reduce GHG emissions “sufficient to eliminate any dangerous threat to the climate.”<sup>20</sup> The Climate Change Act specifically recognizes that emission reductions of 75% to 80% below 2003 levels may be needed to achieve the long-term goal.<sup>21</sup>

Once the NECEC goes into service in late 2022, it will advance Maine’s progress towards meeting the long-term GHG reduction goals set forth in the Act. Energy deliveries from Hydro-Québec over the NECEC line will contribute to carbon emissions reductions in the Northeast, especially when paired with commitments from CMP to further advance clean energy solutions in Maine. In fact, three different production cost modeling experts

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<sup>19</sup> 38 M.R.S. § 576.

<sup>20</sup> *Id.* at § 576(3).

<sup>21</sup> *Id.* at § 576(3).



in this proceeding, CMP's consultant Daymark, the Staff's consultant LEI, and the Generator Intervenor's consultants James Speyer and Tanya Bodell of Energyzt using Calpine's model, have modeled the CO<sub>2</sub> emissions reductions resulting from the NECEC's injection of 9.45 TWhs of clean hydroelectric energy into ISO-NE and have found that the NECEC will drive significant carbon emissions reductions across the New England region. These analyses show that the NECEC will result in CO<sub>2</sub> emissions reductions in Maine ranging from approximately 264,000 metric tons of carbon emissions reductions per year in Daymark's analysis, to 255,000 metric tons of carbon emissions reductions per year in the Energyzt/Calpine analysis, to 306,000 metric tons of carbon emissions reductions per year in LEI's analysis.<sup>22</sup> This range establishes that the NECEC will result in substantial carbon reductions will benefit Maine's people and businesses by helping to combat climate change and assist the State in meeting its long-term reduction GHG reduction goals, consistent with State policy.

**D. The NECEC Will Support Increased Jobs in Maine During the Construction of the Transmission Project and Afterwards and Contribute Millions of Dollars to the Maine Economy through Project Expenditures and the Property Taxes that CMP Will Pay on the Project Facilities for their 40+ year useful life.**

The NECEC will contribute a welcome and substantial boost to the Maine economy. Both the Maine Center for Business and Economic Research ("MCBER") and LEI examined the likely economic benefits resulting from the NECEC and concluded that the NECEC will result in substantial economic benefits for Maine in the form of jobs, increased Maine Gross Domestic Product ("GDP") and additional property tax revenue.

Specifically, MCBER found that the NECEC will support on average over 1,740 direct, indirect, and induced jobs in Maine each year during the project's six-year development and construction period (2017-2022) and LEI found that the NECEC will generate over 1,600 direct, indirect, and induced Maine jobs, on average, every year, over the same period. Additionally, MCBER found that the NECEC transmission infrastructure investments are expected to support a \$573 million (fixed 2009\$) addition to Maine GDP over the project's six-year development and construction period (2017-2022) and LEI found that the NECEC will increase Maine's GDP during the development and construction

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<sup>22</sup> LEI's analysis found the NECEC could reduce CO<sub>2</sub> emissions in New England by approximately 3.6 million metric tons per year. The Energyzt/Calpine modeling likewise found that the NECEC-delivered clean energy will result in an annual reduction of 3 million metric tons of CO<sub>2</sub> emissions in New England. Neither LEI's analysis nor Energyzt's analysis included a specific finding as to the Maine-based GHG reductions, but the Maine-specific carbon emissions reductions benefits are based on using Daymark's approach of calculating the Maine GHG reductions relative to the New England GHG reductions based upon a ratio of Maine load to New England load.

period on average over \$98 million per year during that same period. These analyses provide a range of Maine jobs and Maine GDP benefits that are substantial under all scenarios, regardless of where the project ultimately falls within that range.

The transmission infrastructure investments for the NECEC will also increase municipal property valuations in the host communities in a manner that approximates the cost of the investment expenditures. Based on mill rates from 2016 and an assumed total capital expenditure of \$1 billion, both MCBER and LEI estimate that Maine communities will receive an estimated total of over \$18 million of additional municipal tax revenue on an annual basis beginning in 2023 resulting from the NECEC infrastructure investments in Maine communities.

**E. The Stipulation Sets Forth Conditions That Will Provide Substantial Additional Benefits To Maine Electricity Customers, Maine, and The Region.**

The Stipulating Parties request Commission approval of the Stipulation and issuance of the CPCN for the NECEC based in part on additional conditions set forth in the Stipulation that resulted from extensive negotiations and reasonable compromise. Such conditions provide additional, substantial benefits that further render the Stipulation in the public interest and supplement the already substantial public need met by the NECEC. The Stipulation also establishes a mechanism to confirm HQUS's commitment to providing the NECEC-related benefits contemplated by such conditions to Maine and the region for many years to come.

**1. The Stipulation Provides Additional Certainty That Maine Electricity Customers Will Bear No Risks Or Costs Of The NECEC.**

The Stipulation re-affirms CMP's consistent position that Maine electricity customers will pay no costs of the NECEC, and establishes specific conditions to ensure that outcome. The Stipulation calls for CMP to transfer the NECEC to a newly formed NECEC LLC, a Delaware limited liability company that is a wholly owned subsidiary within the Avangrid Networks family of companies and is not a subsidiary of CMP. This transfer and other ring-fencing measures called for in the Stipulation, including Commission review and approval of all affiliate transactions between CMP and NECEC LLC will prevent any NECEC-related risks or costs accruing to CMP electricity customers. Taken together, the corporate structure of the NECEC, its proposed accounting treatment, and Commission review and oversight of relevant NECEC agreements, as articulated in the Stipulation, will best ensure that Maine electricity customers assume no risks or costs associated with the Project.

The NECEC's corporate structure will protect Maine customers from risks and costs associated with the NECEC. To do so, CMP will transfer and convey, for agreed upon consideration, the NECEC, including the NECEC real estate (for HVDC portions of the line), permits, agreements, and intangible interests and assets to NECEC LLC. This reorganization will establish clearly defined corporate separation between the NECEC on the one hand, and CMP and its customers, on the other, shielding such customers from NECEC costs and risks.

The Stipulation also reflects the Commission's continued authority to ensure that no NECEC cost or risk accrues to Maine customers. Consistent with CMP's existing practices, the Company will seek Commission review and approval of any intercompany transfer, construction, operation or maintenance agreement regarding the NECEC requiring approval under Maine law, including for interconnection agreements and affiliate service agreements between NECEC LLC and any Avangrid affiliate.

CMP's other commitments in the Stipulation will provide additional protections for Maine electricity customers. For example, CMP will not participate in money pooling agreements with NECEC LLC without prior Commission approval, will make such accounting entries as are necessary to remove NECEC-related development expenses from CMP's books and accounts, and commits that Maine transmission and distribution customers shall not be legally or financially responsible for any portion of NECEC LLC's revenue requirements during at least the forty-year useful life of the NECEC. NECEC LLC will also be responsible for all costs associated with any necessary transmission network upgrades for the NECEC that are required by ISO-NE's tariff, particularly Section I.3.9 and the CCIS.

The Stipulation also memorializes particular rate credit and FERC accounting treatment that will ensure that Maine electricity customers pay no costs for the NECEC. As summarized in Section V of this memorandum and as set forth definitively in the Stipulation, CMP will provide a \$1.005 million rate credit for RNS and LNS transmission customers for amounts previously paid in rates for the portions of the transmission corridor necessary for the NECEC that have been included in FERC Account 105 for Plant Held for Future Use, plus carrying costs using the FERC refund formula. Upon the issuance of the CPCN for the NECEC, CMP will classify the unused portion of the transmission corridor that it has assembled from the Canada-U.S. border in Beattie Township as Non-Operating Property in Account 121 of FERC's Uniform System of Accounts, until such time as CMP identifies with sufficient clarity a specific transmission project for development in such transmission corridor in accordance with applicable FERC precedent. CMP will not seek to recover the cost of this unused portion of transmission corridor through transmission rates by reclassifying the property as Plant Held For Future Use in Account 105 or by any other means, unless the transmission project that will use this corridor is

otherwise eligible for rate recovery in whole or in part from Maine retail customers pursuant to the then applicable FERC-approved transmission tariff.

## **2. The Stipulation Provides Substantial Rate Relief And Assistance To Low-Income Electricity Customers.**

The Stipulation provides material rate relief to all CMP customers and important benefits for low-income electricity customers. NECEC LLC and CMP will fund a rate relief fund in the amount of \$140,000,000 over 40 years to provide per kilowatt hour rate relief for retail electricity customers in CMP's service territory. Such relief is a direct and material benefit to CMP's customers, and wholly incremental to other price benefits accruing to Maine and the region from the NECEC's reducing LMPs in the ISO-NE energy supply market.

NECEC LLC will also fund a low-income customer benefits fund in the amount of \$50,000,000 over 40 years. This OPA-administered fund will reduce the amount such customers pay for electricity and better allow such customers to invest in weatherization and household energy efficiency programs, increasing such customers' ability to reduce electricity costs by adopting efficiency measures and may reflect a preference for low-income energy customers located in the host communities in which the NECEC transmission facilities are located. By facilitating low-income customer access to such programs, the Stipulation is wholly consistent with the mission of the Efficiency Maine Trust (the "EMT"), and particularly the EMT's statutory obligation to implement cost-effective efficiency programs for "households of all income levels pursuant to 35-A M.R.S. § 10103.<sup>23</sup>

## **3. The Stipulation Will Facilitate Additional Measures To Reduce GHG Emissions Consistent With Maine Law.**

Absent any CPCN conditions, the NECEC will provide carbon dioxide emissions reductions consistent with 38 M.R.S. § 576 (the "Act"), as summarized above. The Stipulation, moreover, includes conditions that will provide for additional energy efficiency and de-carbonization benefits to Maine and the region. These measures are consistent

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<sup>23</sup> 35-A M.R.S. 10103(5). The OPA may consult with the EMT in administering this fund. The Stipulation also allows for the securitization of funds contained in both the NECEC Low-income Customer Benefit Fund and the NECEC Rate Relief Fund, and CMP agrees to pay up to \$1,000,000 to cover fees incurred by an investment bank, investment advisor or consultant and/or legal fees incurred by OPA, IECG, and CMP related to such securitization.

with Maine's long-term emissions reductions goals as set forth in the Act, and include a variety of provisions that will enable both individual Maine electricity customers and the state generally to implement effective GHG emissions reduction measures.

NECEC LLC's contribution of \$15,000,000 to a new heat pump fund for the installation of heat pumps in Maine will make it more feasible for individual customers to incorporate such technology in their homes. Likewise, NECEC LLC's funding of additional measures to maximize consumer access and exposure to electric vehicles ("EV"), including through the offering of rebates to defray the costs of charging stations and qualifying EVs by Maine residents, will better enable individuals to take an active part in Maine and the region's efforts to de-carbonize. More broadly, contributed funds will facilitate the deployment of a statewide fast and ultra-fast public charging infrastructure network for EVs, making travel using EVs more possible throughout the state.

At a policy level, CMP and NECEC LLC will collaborate with stakeholders in furthering regional de-carbonization efforts. This collaboration includes the funding of an analysis of the means by which the Northeast Region may achieve economy-wide de-carbonization of zero emission by 2050. CMP and NECEC's participation in this study and CMP's commitment to pay up to \$500,000 for this study will allow for long-term policy analysis that will inform Maine and the region's approach to de-carbonization in the coming years.

#### **4. The Stipulation Provides Other Important Benefits To Maine Businesses, Communities, and Educational Institutions.**

The Stipulation will provide for economic benefits in addition to the new jobs and increased tax revenues associated with the NECEC. These additional benefits will increase investment in Maine's communities, its workforce, and educational institutions, and occur both within the communities in which the NECEC will be located and elsewhere in the State. These provisions are wholly in the public interest and provide substantial additional bases for the Commission to approve the Stipulation and issue the CPCN.

For example, NECEC LLC will fund a community development fund in Franklin County in the amount of \$5,000,000. This fund will provide material assistance to the Greater Franklin Development Council in its efforts to market the region, develop its workforce, retain its businesses, and support its entrepreneurs. NECEC has also agreed in the Stipulation, (all other factors being equal) to prefer the hiring of Maine workers in constructing the NECEC, provided that such preference is consistent with applicable law and labor agreements. This additional benefit will better ensure that the NECEC provides direct economic benefits to Maine even prior to commercial operation.

In addition, NECEC LLC will contribute \$6,000,000 for education-related grants and programs. These contributions will fund internship programs and scholarships for needy Maine students to attend the University of Maine Farmington and Maine Community Colleges, vocational programs, scholarships and innovative programs in the areas of math, science and technology for the School Districts within Franklin and Somerset Counties and the University of Maine's on-going research and development activities associated with marine wind generation technology commercialization.

#### **5. The Stipulation Will Help Maine Achieve Its Goals For Enhanced Broadband Access.**

The Stipulation calls for expanded broadband internet infrastructure within the state, providing additional and material benefits to Maine consistent with 35-A M.R.S. § 9202-A ("Section 9202-A"). Pursuant to Section 9202-A, Maine has articulated clear goals for broadband expansion, including that such technology be "universally available," and that Maine possess "secure, reliable, competitive and sustainable forward looking infrastructure that can meet future broadband needs."<sup>24</sup> The Stipulation will facilitate achieving this policy goal. The Stipulation requires CMP and NECEC LLC to include additional fiber optic capacity as part of the NECEC HVDC transmission line and its necessary AC upgrades. In addition, through contributions from HQUS, the \$10,000,000 NECEC Broadband Fund will be established. This fund will provide grant funding to expand broadband access in the NECEC host communities through, among other things, the payment of annual pole licenses and make ready costs to bring broadband access to unserved and underserved areas of such communities. A Commission finding that the Stipulation is in the public interest is wholly consistent with Section 9202-A and the legislature's policy goal of expanding broadband access throughout Maine.

#### **6. The Stipulation Will Facilitate Future Development of Renewable Generation In Maine.**

Consistent with measures to facilitate individual, state, and regional policy regarding de-carbonization, the Stipulation will also enhance the extent to which the NECEC facilitates the development of future renewable generation in Maine. CMP and NECEC LLC commit to actively participate in ISO-NE studies regarding the thermal, voltage, and stability ratings for the Surowiec-South interface, and to advocate for the maximization of the applicable ratings and transfer capacity at the Surowiec-South interface after the NECEC's completion, consistent with good utility practice. Such measures will benefit proposed renewable generation projects that will need to transmit energy over that interface in the future.

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<sup>24</sup> 35-A M.R.S. § 9202-A.

In addition, CMP will also pay up to \$2,000,000 for analysis of the transmission and non-wires solutions that would reduce existing and projected congestion at the Maine/New Hampshire interface and at the Surowiec-South interface, and will pursue any such solution, consistent with the particular requirements of Section 11 of the Stipulation.

**7. The Stipulation Establishes An Appropriate Mechanism To Confirm HQUS's Commitment To Maine Electricity Customers, The State, and the Region.**

To best ensure that non-parties HQUS and Hydro-Québec meet their commitments under the Stipulation, including related to making the financial contributions to various funds established by the Stipulation, providing of Environmental Attributes to CMP which may be monetized to increase the NECEC Rate Relief Fund, and the required payments to NECEC LLC over the NECEC's useful life, CMP, NECEC LLC, and HQUS will execute a binding support agreement memorializing such commitments. In addition, Hydro-Québec will provide a joint and several guaranty or other appropriate credit support to backstop HQUS's payment obligations under the support agreement. NECEC LLC will submit the HQUS Support Agreement and the Hydro-Québec guaranty or other credit support document as a compliance filing in this docket. Together, the support agreement and guaranty provide legally enforceable instruments to guarantee performance by HQUS and Hydro-Québec, and provides Maine electricity customers and the State of Maine with additional certainty that HQUS and Hydro-Québec will meet their obligations as set forth in the Stipulation, notwithstanding the fact that neither is a party to this proceeding.

**VII. STATUTORY AUTHORITY FOR THE COMMISSION TO ADOPT THE STIPULATION**

The Commission maintains statutory authority to approve the Stipulation and grant the requested CPCN pursuant to 35-A M.R.S. § 3132.

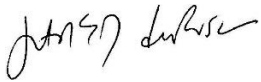
Mr. Harry A. Lanphear  
Page 32  
February 21, 2019

### **VIII. CONCLUSION**

On behalf of the Stipulating Parties, CMP respectfully requests that the Commission approve the Stipulation for the reasons set forth above.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jared S. des Rosiers".

Jared S. des Rosiers  
Counsel for Central Maine Power Company



STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2017-00232

February 21, 2019

CENTRAL MAINE POWER COMPANY,  
Request for Approval of CPCN for the New  
England Clean Energy Connect Consisting  
of the Construction of a 1,200 MW HVDC  
Transmission Line from the Québec-Maine  
Border to Lewiston (NECEC) and Related  
Network Upgrades

STIPULATION

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STIPULATION

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## **ATTACHMENTS**

Attachment A: NECEC Transmission Facilities

Attachment B: NECEC Transfer Agreement

Central Maine Power Company (“CMP” or the “Company”), the Maine Office of the Public Advocate (the “OPA”), the Governor’s Energy Office, Industrial Energy Consumer Group (the “IECG”), Conservation Law Foundation (“CLF”), Acadia Center, Western Mountains & Rivers Corporation (“WMRC”), City of Lewiston, Maine State Chamber of Commerce (“Chamber”), and International Brotherhood of Electrical Workers (“IBEW”)<sup>1</sup> (collectively referred to as the “Stipulating Parties”) agree and stipulate as follows:

## **I. PURPOSE**

The purpose of this Stipulation is to achieve an agreed upon resolution of CMP’s Petition for Certificate of Public Convenience and Necessity (“CPCN”) for the New England Clean Energy Connect transmission project (“NECEC” or the “Project”). The Stipulating Parties agree that a “public need” exists for the NECEC as specifically described in Section IV.A, Paragraph 1 below and listed in **Attachment A** under Maine law, including 35-A M.R.S. § 3132 and Chapter 330 of the Commission’s Rules and, therefore, the Commission should grant a CPCN for the Project in accordance with the terms and conditions provided in this Stipulation.

The Stipulating Parties further agree that the construction of the NECEC in accordance with the terms and conditions set forth in this Stipulation is in the public interest because the Project and the hydropower it will deliver from Québec to New England will provide, at no cost to Maine electricity customers, (i) lower electricity supply prices and, by reducing reliance on fossil fuel generation, material energy price protection

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<sup>1</sup> Additional parties including the Town of Wilton and the Town of Farmington are still considering whether to join the Stipulation. If they do join, the Stipulating Parties will supplement the Stipulation with additional signature pages from the joining parties.

in natural gas price spike events; (ii) increased reliability for Maine and the ISO-New England (“ISO-NE”) region, by delivering baseload energy to replace retiring baseload resources, as well as other reliability benefits associated with the NECEC’s providing an additional inertia between ISO-NE and Québec and transmission system upgrades associated with the NECEC; (iii) significant carbon dioxide emission reductions as a result of the Project including the increased use of electric vehicle and heat pump programs in Maine, among others, funded pursuant to this Stipulation, which advance Maine’s progress toward its long-term greenhouse gas (“GHG”) emissions reductions goals; and (iv) significant other benefits including a rate relief fund, a low-income customer benefits fund, and a broadband benefits fund, among other benefits.

The Stipulating Parties recognize that there are additional benefits to Maine associated with the NECEC memorialized in agreements in addition to this Stipulation. In addition, the Stipulating Parties also recognize that the environmental impacts of the Project will be determined by agencies other than the Commission including but not limited to the Maine Department of Environmental Protection (“MDEP”), the Maine Land Use Planning Commission (“LUPC”), and the United States Army Corps of Engineers (“USACE”).

This Stipulation is the result of extensive settlement negotiations and discussions among CMP, the other Stipulating Parties, and Commission Staff. The Stipulating Parties recommend that the Commission approve the provisions as set forth below.

The provisions agreed to in this Stipulation have been reached as a result of fair, open, and transparent settlement negotiations based on information presented in this proceeding and gathered through discovery and discussions among CMP and the

intervening parties, including the Stipulating Parties, and Commission Staff.<sup>2</sup> The Stipulating Parties represent a broad spectrum of interests and constitute many of the active participants in the proceeding.

## **II. PROCEDURAL BACKGROUND**

The procedural history of this proceeding is presented below.

### **A. CMP's Response To The Section 83D RFP**

1. On March 31, 2017, the Massachusetts electric distribution companies (the "Massachusetts EDCs"), in coordination with the Massachusetts Department of Energy Resources ("MA DOER"), issued the Section 83D RFP, requesting proposals from clean energy generation<sup>3</sup> and associated transmission to enter into contracts of 15 to 20 years duration with the Massachusetts EDCs to meet Massachusetts' statutorily required annual procurement of 9.45 TWh (the "Section 83D RFP" or the "RFP"). The RFP set a July 27, 2017, deadline for parties to submit bid proposals.

2. On July 27, 2017, CMP and Hydro Renewable Energy, Inc. ("HRE"),<sup>4</sup> submitted joint bids offering two different NECEC configurations.<sup>5</sup> Under the terms of the

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<sup>2</sup> The Commission Staff indicated as part of the settlement process that it takes no position on the Stipulation and will present its recommended decision on the issues presented in this proceeding and on the Stipulation in an Examiners' Report.

<sup>3</sup> Under the terms of the RFP, "Clean Energy Generation" includes the following: (i) firm service hydroelectric generation from hydroelectric generation alone; (ii) new Massachusetts Class I RPS eligible resources that are firm up with firm service hydroelectric generation; and (iii) new Massachusetts Class I RPS eligible resources.

<sup>4</sup> HRE was proposed as a new U.S. affiliate of Hydro-Québec created for purposes of the Section 83D RFP. Ultimately, Hydro-Québec decided to have its existing U.S. affiliate, H.Q. Energy Services (U.S.), Inc. ("HQUS") serve as the counterparty for the NECEC PPAs and TSAs. Hereinafter HRE is referred to as HQUS.

<sup>5</sup> The joint bids proposed either (1) 1,090 MW of Incremental Hydropower Generation provided by HQ Production or (2) 300 MW of new Massachusetts Class I Renewable Portfolio Standard ("RPS") eligible wind generation resources to be constructed by the NECEC Wind Developer firm up with Incremental Hydropower Generation provided by Hydro-Québec Production, the business unit within Hydro-Québec

RFP and the Massachusetts Energy Diversity Act, winning bids recover supply costs from the Massachusetts EDCs through long-term power purchase agreements (“PPAs”) and, as applicable, transmission-related costs through FERC-approved transmission service agreements (“TSAs”).<sup>6</sup>

## **B. CPCN Petition**

3. On September 27, 2017, CMP filed the Petition and associated Exhibits NECEC-1 through NECEC-15 requesting that the Commission issue a CPCN for the NECEC.

The Petition asserted, among other things:

- a. The NECEC is a high voltage direct current (“HVDC”) transmission line capable of delivering 1,200 MW of electricity from Québec, Canada to the New England Control Area, and consisting in its entirety of (1) 207 miles (145.3 miles in Maine) of +/- 320 kV overhead HVDC transmission line that will run between the existing Appalaches Substation in Thetford Mines, Québec and a new HVDC converter station approximately 1.6 miles from the existing CMP Larrabee Road Substation in Lewiston, Maine; (2) new HVDC converter stations at both ends of the line; and (3) certain upgrades to the existing high voltage alternating current (“AC”) New England transmission system necessary to permit the interconnection of the NECEC to the New England Control Area at the existing Larrabee Road Substation consistent with the requirements of Section I.3.9 of the ISO-NE Transmission, Markets and Services Tariff (hereinafter referred to as Section I.3.9 Approval) and the Capacity Capability Interconnection Standard (“CCIS”) of the ISO-NE Open Access Transmission Tariff (“OATT”);
- b. CMP would develop, construct, and operate the NECEC transmission facilities located in Maine;

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*(footnote cont’d)*

responsible for the production and marketing of wholesale energy and capacity for export (hereinafter “HQ Production”) and 790 MW of Incremental Hydropower Generation provided by HQ Production, and transmission rights for the remaining 110 MW of transmission capacity to use on a merchant basis. *See* Petition at 2.

<sup>6</sup> M.G.L. ch. 169 § 83D (2016); Section 83D RFP at 2-3.

- c. The NECEC constitutes the transmission component of the two joint bids for clean energy generation and associated transmission submitted by CMP and HQUS, in response to the RFP;<sup>7</sup> and
- d. The NECEC would allow HQUS to use 1,090 MW of NECEC's transmission capacity to annually deliver up to 9.4 TWh of clean energy generation originating from hydropower generation facilities owned and operated by Hydro-Québec Production ("HQ Production"). The Petition also stated that HQUS had agreed to purchase transmission rights for the remaining 110 MW of transmission capacity on the Project to use on a merchant basis.

### **C. Intervenor**

4. On October 3, 2017, the Hearing Examiners issued a Notice of Proceeding that provided all interested persons with the opportunity to file a petition to intervene in this matter on or before October 13, 2017.

5. The Commission received seven timely-filed petitions to intervene. The Hearing Examiners granted all such petitions at the October 19, 2017 initial case conference and by subsequent procedural order dated October 25, 2017. The intervenors in this proceeding that filed timely petitions to intervene include: OPA, CLF, Ms. Dorothy Kelly ("Dot Kelly"), IECG, Maine Renewable Energy Association, Natural Resources Council of Maine ("NRCM"), and WMRC.

6. The Commission also received numerous late-filed petitions to intervene. The Hearing Examiners granted all such requests for intervention on either a mandatory or discretionary basis by procedural orders dated November 27, 2017; March 28, 2018; April 27, 2018; August 28, 2018; September 6, 2018; October 2, 2018; October 11, 2018;

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<sup>7</sup> The Petition described the two different joint-bids that were submitted as different configurations of the NECEC Project. The first bid was a Hydro and Wind Solution, and the second bid was a 100% Hydro Solution. As discussed below, the Massachusetts EDCs, in consultation with the MA DOER, selected the NECEC 100% Hydro Solution as the lone winning bid in the RFP. Accordingly, this summary hereinafter only refers to the 100% Hydro Solution bid.



October 15, 2018; and October 29, 2018. The intervenors in this proceeding that submitted late-filed petitions to intervene include: The Governor’s Energy Office, NextEra Energy Resources (“NextEra”), RENEW Northeast, Inc. (“RENEW”); Calpine Corporation (“Calpine”), Vistra Energy Corporation (formerly known as Dynegy Inc.) (“Vistra”), and Bucksport Generation LLC (“Bucksport”) (Calpine, Vistra and Bucksport hereinafter collectively referred to as the “Generator Intervenors”); Acadia Center; Friends of Maine Mountains; ReEnergy Biomass Operations LLC (“ReEnergy”); IBEW; City of Lewiston; Town of Caratunk; Town of Farmington; Greater Franklin Development Council; Maine State Chamber of Commerce; Trout Unlimited; Senator Thomas Saviello; Mr. Darryl Wood; Town of Alna; Town of Wilton; Town of New Sharon; Town of Jackman; Old Canada Road Scenic Byway, Inc.; and Franklin County Commissioner Terry Brann. In all instances in which the Hearing Examiners granted a late-filed petition to intervene on a discretionary basis, intervention was conditioned on the party’s “taking the case as they find it with respect to discovery.”<sup>8</sup>

**D. Intervenor Testimony, Updates Regarding the Status of the NECEC RFP Bid and London Economics International Report**

7. On January 12, 2018, CMP supplemented its Petition by submitting an Electric and Magnetic Fields (“EMF”) Study for the NECEC, prepared by Dr. William Bailey of Exponent. Dr. Bailey’s report was submitted as Exhibit NECEC-16.

8. On January 26, 2018, Dot Kelly submitted intervenor testimony.

9. On January 31, 2018, the Hearing Examiners issued a procedural order temporarily suspending the proceeding on the basis that the Massachusetts EDCs did not

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<sup>8</sup> See, e.g., Procedural Order – Granting Late-Filed Petitions to Intervene at 1-2 (Oct. 29, 2018).

initially select NECEC as the Section 83D RFP winning bid. In that same order, the Hearing Examiners sought comments from the parties on whether to dismiss or suspend the proceeding.

10. On February 17, 2018, CMP submitted a letter informing the Commission that the Massachusetts EDCs, in consultation with the MA DOER, had selected the NECEC 100% Hydro Solution as the alternative winning bid in the RFP, and that the Massachusetts EDCs would move forward with the 100% Hydro Solution, provided that the NECEC had negotiated acceptable contract terms with the Massachusetts EDCs and the Northern Pass Hydro Project was not able to receive all necessary permitting from the New Hampshire Site Evaluation Committee by March 27, 2018.

11. On February 22, 2018, the Hearing Examiners issued a procedural order that lifted the temporary suspension and resumed the proceeding.

12. On March 28, 2018, CMP filed an additional letter informing the Commission of the MA DOER announcement that the Massachusetts EDCs had terminated the conditional selection of the Northern Pass Hydro Project as the Section 83D RFP winning bid, leaving the NECEC 100% Hydro Solution as the lone winning bid in the RFP. On that same day, the Hearing Examiners issued a procedural order setting a revised schedule for the remainder of the case through hearings.

13. On April 1, 2018, Dot Kelly submitted additional intervenor testimony.

14. On April 30, 2018, as permitted by the March 28, 2018 Procedural Order, the Generator Intervenors submitted direct intervenor testimony from Tanya L. Bodell, William S. Fowler, and James M. Speyer. In addition NextEra submitted intervenor

testimony from Christopher Russo and Stephen Whitley, and RENEW submitted intervenor testimony from Francis Pullaro.

15. On May 21, 2018, Commission Staff filed a report prepared by the Commission's consultants, London Economics International LLC ("LEI") entitled "Independent Analysis of Electricity Market and Macroeconomic Benefits of the New England Clean Energy Connect Project" ("LEI Report"). The LEI report was filed in lieu of a bench analysis.<sup>9</sup>

16. On June 13, 2018, the Massachusetts EDCs executed long-term TSAs and PPAs with CMP and HQUS respectively for the NECEC 100% Hydro Solution proposal.

**E. CMP Rebuttal Testimony**

17. On July 13, 2018, CMP filed Rebuttal Testimony from (1) Thorn Dickinson, Eric Stinneford, and Bernardo Escudero with associated Exhibits NECEC-16 through NECEC-26; (2) Chris Malone, Scott Hodgdon, and Justin Tribbet with associated Exhibits NECEC-27 through NECEC-30; and (3) Daniel Peaco, Douglas Smith, and Jeffrey Bower of Daymark Energy Advisors with associated Exhibit NECEC-31.<sup>10</sup>

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<sup>9</sup> Procedural Order – Clarification at 1 (May 24, 2018).

<sup>10</sup> The TSAs that CMP executed with the Massachusetts EDCs are filed in the record as Exhibits NECEC-17 (Eversource TSA), NECEC-18 (National Grid TSA), and NECEC-19 (Unitil TSA). The additional TSAs that CMP executed with HQUS for the period after the TSAs with the EDCs expire and for the 110 MW that the EDCs did not contract for, are filed in the record as Exhibits NECEC-20 through NECEC-23. The executed PPAs are filed in the record as Exhibit NECEC-16 (National Grid PPA), and NEXRE-002-006 Attachment 1 (Eversource PPA) and Attachment 2 (Unitil PPA). On July 24, 2018, CMP submitted public versions of Exhibits NECEC-17 through NECEC-20 upon learning that the Massachusetts EDCs had publicly filed the same documents in ongoing proceedings before the Massachusetts Department of Public Utilities. On October 5, 2018, CMP filed corrected public versions of Exhibit NECEC-18 (National Grid TSA) and Exhibit NECEC-19 (Unitil TSA), known as Revised Supplemental Exhibit NECEC-18 and Revised Supplemental Exhibit NECEC-19, respectively.

**F. Surrebuttal Testimony, Additional LEI Analysis and CMP Visual Renderings**

18. On August 18, 2018, Tanya L. Bodell and William S. Fowler each filed Surrebuttal Testimony on behalf of the Generator Intervenors. Also on August 18, 2018, the following witnesses filed Surrebuttal Testimony on behalf of NextEra: (1) Christopher Russo; (2) Robert Stoddard; and (3) Stephen Whitley, Dan Mayers, and Francis Wang.

19. On September 10, 2018, in response to Mr. Stoddard's Surrebuttal Testimony on behalf of NextEra regarding the Minimum Offer Price Rule ("MOPR"), Commission Staff submitted a memorandum prepared by LEI entitled "MOPR Estimate for the New England Clean Energy Connect Transmission Project" and attached workbook ("LEI MOPR Memo"). Additional exhibits to the LEI MOPR Memo were filed by Commission Staff on September 19, 2018.

20. On September 18, 2018, in response to a request by Commission Staff, CMP filed visual rendering materials for the NECEC transmission line that the Company had previously filed with the MDEP.

21. On October 12, 2018, CMP filed the visual rendering slide deck and supplemental visual renderings that the Company referred to in the September 21, 2018 technical conference.

**G. Hearings – Phase I**

22. The Commission held evidentiary hearings regarding the NECEC on October 19, 2018 (LEI) and on October 22, 2018 (CMP witnesses Malone, Hodgdon, and Tribbet and NextEra witnesses Whitley, Wang, and Mayer).

23. On October 26, 2018, at the request of NextEra supported by other intervening parties, the Hearing Examiners suspended the remaining evidentiary hearings

until January 2019 in order to allow Commission Staff and intervening parties additional time to review and analyze the documents that CMP produced in response to ODR-014-004.<sup>11</sup>

#### **H. Supplemental Testimony and Additional Visual Renderings**

24. On December 10, 2018, the Generator Intervenors filed Supplemental Testimony from Tanya Bodell and William Fowler regarding the MOPR analysis and other issues. NextEra also filed Supplemental Testimony from Christopher Russo and LEI filed a Supplemental MOPR Memo.

25. On that same day, at the request of Commission Staff, CMP filed additional visual renderings and visual impact documents that it had filed with the MDEP, LUPC and the USACE a few days prior.

#### **I. Discovery and Public Comment**

26. Written discovery was conducted and technical conferences were held after every phase of testimony, with the exception of the LEI MOPR Memo submitted by Commission Staff, which was only subject to a technical conference. Collectively, the parties and LEI responded to 58 sets of data requests and 33 sets of oral data requests, each containing multiple individual data requests. CMP, alone, responded to more than 600 data requests during the discovery process.

27. On September 12, 2018, CMP began data production in response to Commission Staff's follow-up questions to ODR-014-004. In total, CMP filed over 97,000

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<sup>11</sup> ODR-014-004 included an initial data request and a series of follow-up questions from Commission Staff that sought all documents relied upon by the primary decision makers and senior management personnel of CMP or any of its affiliates when making the decision to submit the NECEC RFP proposal.

pages of documents in 18 data production rounds that occurred from September 12, 2018 through December 4, 2018.

28. The Hearing Examiners held 17 days of technical conferences throughout this proceeding on the following dates: November 28, 2017 (CMP testimony regarding the Petition); December 11, 2017 (CMP testimony regarding the Petition); April 5, 2018 (CMP testimony regarding the Petition); June 14, 19, 20, and 28, 2018 (Intervenor and LEI testimony); August 1 and 2, 2018 (CMP testimony regarding Rebuttal); September 6, 7, and 14, 2018 (Intervenor testimony regarding Surrebuttal); September 19, 2018 (LEI testimony regarding the MOPR Memo); September 21, 2018 (CMP testimony regarding the Visual Renderings); November 28 and 30, 2018 (CMP testimony regarding the ODR-014-004 Documents); and December 19, 2018 (Intervenor and LEI Supplemental Testimony).

29. The Commission convened three public witness hearings, each of which was noticed in advance by procedural order. The Commission held the first two public witness hearings on September 14, 2018 in Farmington and The Forks Plantation. The Commission held the third public witness hearing on October 17, 2018 at the Commission's offices in Hallowell. In total, the Commission heard approximately 14 hours of public comment and approximately 89 people provided oral and/or written testimony during the public witness hearings.

30. To date, approximately 1,000 public comments have been filed in the Commission's case management system in this docket.

#### **J. Hearings – Phase 2**

31. The Commission held the remaining evidentiary hearings on January 8, 2019 (Generator Intervenor witnesses Bodell and Speyer); January 9, 2019 (CMP witnesses

Dickinson, Stinneford and Escudero); January 10, 2019 (CMP witnesses Malone, Hodgdon and Tribbet, and Daymark witnesses Peaco, Smith and Bower); and January 11, 2019 (NextEra witnesses Russo and Stoddard; and Generator Intervenor witnesses Bodell and Fowler).

32. On January 14, 2019, the Hearing Examiners issued an order identifying specific issues for the parties to address in post-hearing briefs.

33. On January 19, 2019, the Hearing Examiners extended the deadline for opening post-hearing briefs to February 1, 2019, and similarly revised the remainder of the proceeding by extending each subsequent deadline by 7 days.

34. On February 1, 2019, CMP, OPA, IECG, Generator Intervenor, NextEra, CLF, NRCM, Acadia Center, Town of Caratunk, City of Lewiston, IBEW, Chamber, Dot Kelly, RENEW, and WMRC filed opening briefs and on February 13, 2019, CMP, OPA, IECG, Generator Intervenor, NextEra, Town of Caratunk, and Dot Kelly filed reply briefs.

### **III. RECORD**

The record in this proceeding provides ample information on which the Stipulating Parties and the Commission may base their conclusions regarding the NECEC and this Stipulation. These materials include:

- CMP's Petition for CPCN, CMP's Rebuttal Testimony and all supporting exhibits and materials;
- Intervenor Direct, Surrebuttal, and Supplemental testimony submitted by intervening parties and supporting exhibits and materials;
- The May 21, 2018, September 10, 2018 and December 10, 2018 LEI reports;
- Responses to written and oral data requests and attachments to such responses that have been admitted into the record pursuant to the Procedural Orders dated October 24, 2018, February 4, 2019, and February 5, 2019;

- Transcripts of all technical conferences, public witness hearings and evidentiary hearings; and
- Post-hearing briefs and reply briefs.

#### **IV. PARTIES AND SETTLEMENT PROCESS**

To accept a stipulation, the Commission must find that:

- a. The Parties joining the stipulation represent a sufficiently broad spectrum of interests that the Commission can be sure that there is no appearance or reality of disenfranchisement;
- b. The process that led to the stipulation was fair to all parties;
- c. The stipulated result is reasonable and is not contrary to legislative mandate; and
- d. The overall stipulated result is in the public interest.<sup>12</sup>

The undersigned Stipulating Parties believe that each of these factors is satisfied through this Stipulation. The parties joining this Stipulation represent a broad spectrum of interests and many of the active participants in this proceeding.

The process that achieved this Stipulation was fair to all intervening parties, and all intervening parties had the opportunity to participate. CMP engaged in extensive settlement communications with numerous intervening parties and other interested stakeholders throughout the pendency of this proceeding. In addition, formal settlement conferences, noticed in advance by procedural order, were held on September 7, 2018, September 14, 2018, February 5, 2019, and February 12, 2019. Commission Staff participated in these settlement conferences, and no party objected to such participation.

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<sup>12</sup> Chapter 110, § 8(D)(7).



As a result of these settlement discussions, the Stipulating Parties have resolved all issues between them in this proceeding, Commission Docket No. 2017-00232.

## **V. RECOMMENDED APPROVALS AND FINDINGS.**

### **A. Certificate of Public Convenience and Necessity**

1. Based upon the record in this case, the Stipulating Parties agree and recommend that the Commission issue an order which: (a) approves, accepts and adopts this Stipulation; (b) finds that a public need exists for the NECEC on the basis that the Project, including the hydropower deliveries from Québec to New England it will enable, provides (i) significant economic benefits for Maine and the ISO-NE region in the form of lower electricity supply prices, reduced reliance on fossil fuel generation, material energy price protection in natural gas price spike events, new jobs, increased gross domestic product, and property tax revenues to host communities in Maine; (ii) reliability benefits to Maine and the ISO-NE region, by delivering baseload hydropower to replace retiring baseload resources, as well as other reliability benefits associated with the NECEC's providing an additional intertie between ISO-NE and Québec and transmission system upgrades associated with the NECEC, all at no cost to Maine electricity customers; and (iii) significant carbon dioxide emission reductions as a result of the Project including the increased use of electric vehicle and heat pump programs in Maine, among others, funded pursuant to this Stipulation, which advance Maine's progress toward meeting its long-term GHG emissions reductions goals as set forth in Maine law;<sup>13</sup> and (c) grants a CPCN for the

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<sup>13</sup> See Act to Provide Leadership in Addressing the Threat of Climate Change, P.L. 2003, Ch. 237, codified in the Maine Revised Statutes Title 38, Chapter 3-A.

NECEC permitting the construction of the Project in accordance with the terms of this Stipulation.

2. Specifically, the CPCN shall permit the construction of the transmission lines and substation components listed in **Attachment A** of this Stipulation, as either a core project element of the NECEC or a necessary transmission network upgrade associated with the NECEC, and shall further permit construction of any related additional transmission facilities that ISO-NE determines are necessary to meet the requirements of (i) Section I.3.9 of the ISO-NE's Transmission, Markets and Services Tariff; or (ii) the ISO-NE's CCIS, all at no cost to Maine electricity customers, without further Commission review in this docket or otherwise.

3. Beginning on July 1, 2019, and every three months thereafter until the NECEC is placed into commercial operation, NECEC LLC, as defined below, will file progress reports with the Commission summarizing any significant developments in the permitting, development and construction of the NECEC. These progress reports will (i) summarize the status of the system impact studies or other studies conducted by ISO-NE regarding the NECEC; (ii) identify all transmission network upgrades determined by ISO-NE as needed to permit the interconnection of the NECEC under the CCIS and Section I.3.9 of the ISO-NE Tariff; (iii) identify any federal, state or local permits or approvals received authorizing construction of the NECEC; and (iv) summarize the Project's progress towards completion.

#### **B. CPCN Conditions**

The Stipulating Parties further agree and recommend that the Commission Order granting the CPCN for the NECEC be conditioned on the following terms.

1. **NECEC Project Ownership:** CMP will transfer and convey the NECEC to NECEC Transmission LLC (“NECEC LLC”), a Delaware limited liability company that is a wholly owned subsidiary within the Avangrid Networks family of companies and is not a subsidiary of CMP.

a. **Transfer Agreement:** CMP and NECEC LLC will complete the transfer and conveyance of the NECEC in accordance with an agreement substantially in the form of the NECEC Transfer Agreement provided as **Attachment B** to this Stipulation. Under the terms of the NECEC Transfer Agreement, CMP will transfer and assign to NECEC LLC and NECEC LLC will assume:

- i. Certain real estate interests sufficient to construct and operate the High Voltage Direct Current (“HVDC”) transmission line between the Canada-United States border in Beattie Township, Maine and Lewiston, Maine together with land for the construction and operation of a converter station in Lewiston, Maine, together with real estate interests needed to construct and operate a 345 kV alternating current (“AC”) transmission line from the converter station to CMP’s substation at Larrabee Road, Lewiston, Maine, and together with certain land offered as compensatory mitigation for environmental permits related to the NECEC and the right to purchase additional land to access the converter station (the “Real Estate Interests”);
- ii. All land use permits, any outstanding land use permit applications, and other regulatory permits (the “Permits”) related to the NECEC;
- iii. The Transmission Service Agreements among CMP, the Massachusetts Electric Distribution Companies (“Massachusetts EDCs”) and H.Q. Energy Services (U.S.) Inc. (“HQUS”) (the “TSAs”);
- iv. All agreements executed by CMP with third party vendors and service providers in connection with the development and construction of the NECEC (“Third Party Vendor Agreements”) and certain agreements between CMP and HQUS, Hydro-Québec and WMRC (collectively the “Miscellaneous Agreements”); and
- v. Such other tangible and intangible assets related to the NECEC that CMP may possess including, without limitation, designs, plans and other work

product of CMP or vendors related to the NECEC, and intellectual property related to the NECEC (collectively, the “Related Assets”).

- b. NECEC Transfer Consideration: As consideration for the conveyance and transfer of the NECEC, including without limitation, the Real Estate Interests, the Permits, the TSAs, the Third Party Vendor Agreements, the Related Assets, and any goodwill of CMP related to the NECEC, NECEC LLC will pay CMP the sum total of **\$60,000,000**, payable in forty (40) equal installments of **\$1,500,000** each year commencing on the date the NECEC first achieves commercial operation (the “Commercial Operation Date” or “COD”) and continuing on each anniversary thereof. All payments by NECEC LLC to CMP under the NECEC Transfer Agreement will be disbursed by CMP as part of the NECEC Rate Relief Fund as set forth in Section V.B, Paragraph 5 below.
- c. CMP/NECEC LLC Service Agreement: Effective upon the transfer of the NECEC, CMP and NECEC LLC will enter into a service agreement substantially in the form of the Service Agreement provided as **Exhibit H** to the NECEC Transfer Agreement provided as **Attachment B** to Stipulation.
- d. Other NECEC Transfer Commitments:
  - i. CMP and NECEC LLC agree to complete the transfer of the NECEC before construction of the NECEC commences.
  - ii. NECEC LLC will not participate in any money pooling arrangement, credit facility or other financing agreement with CMP without the prior approval of the Commission.
  - iii. CMP and NECEC LLC will make such accounting entries as are necessary in order to remove NECEC related development expenses from CMP’s books and accounts.
  - iv. NECEC LLC will put in place and maintain a guaranty by AVANGRID, Inc., or its successor, with respect to NECEC LLC’s payment obligations to

CMP under the NECEC Transfer Agreement and NECEC LLC's payment obligations for the Heat Pump Fund (Section V.B, Paragraph 7), the Dirigo EV Fund (Section V.B., Paragraph 8(a)), the Franklin County Host Community Benefits Fund (Section V.B., Paragraph 9) and the Education Grant Funding (Section V.B., Paragraph 10) for as long as such payment obligations exist; provided, however, that such guaranty may be terminated in the event that NECEC LLC obtains and maintains a credit rating from a nationally recognized rating organization that is satisfactory to the Commission in its discretion. NECEC LLC also agrees to grant a first priority security interest to CMP in NECEC LLC's payment rights under the HQUS Support Agreement or related Hydro-Québec guaranty or other credit support discussed in Section V, Paragraph 14 below for the purpose of funding the NECEC Low-Income Customer Benefits Fund and the NECEC Rate Relief Fund. NECEC LLC further covenants not to amend, fail to vigorously enforce, or waive any provision of the HQUS Support Agreement or any guaranty provided by Hydro-Québec or other credit support relating to HQUS's obligations under the HQUS Support Agreement in a manner that could impair any payment obligation of either entity to NECEC LLC.

- v. NECEC LLC and CMP will cooperate in good faith to facilitate access to the use of the NECEC transmission corridor for ATV, snowmobile and other recreational uses, consistent with applicable laws, regulations, ordinances, permits and licenses and CMP's generally applicable standards and practices.
- vi. NECEC LLC will not use CMP's brand name, reputation or customer relations to its benefit and will not engage in joint marketing or joint advertising with CMP at any time.
- vii. Maine transmission and distribution customers shall not be legally or financially responsible for any portion of NECEC LLC's revenue requirement for the NECEC Transmission Project accruing during at least the first 40 years of the useful life of the NECEC.
- viii. CMP and NECEC LLC will not take or support any action to modify the cost recovery mechanism applicable to the NECEC that would result in Maine transmission and distribution customers being legally or financially responsible for any portion of NECEC LLC's revenue requirement for the NECEC accruing during the first 40 years of the useful life of the project, without first obtaining Commission approval for such change.
- ix. Notwithstanding the foregoing, this Stipulation shall not prohibit Maine electricity customers from directly, or through a third party such as the Maine transmission and distribution utilities as approved by the

Commission or a Maine competitive energy provider as approved by the Commission, purchasing energy provided through the 110 MW of the NECEC transmission capacity not contracted for by the Massachusetts EDCs pursuant to the Section 83D RFP even if that purchase has the effect of directly or indirectly paying for a portion of the revenue requirement for the NECEC.

- e. NECEC Network Upgrades: As part of the NECEC, upgrades to certain of CMP's existing transmission facilities will be necessary in order to permit the interconnection of the NECEC to the transmission system administered by ISO-NE in accordance with Section I.3.9 and the Capacity Capability Interconnection Standard ("CCIS") of the ISO-NE Open Access Transmission Tariff (the "ISO-NE Tariff") (the "Network Upgrades"). NECEC LLC agrees to complete all such Network Upgrades determined by ISO-NE through the necessary studies (currently underway and scheduled for completion in Q-3 2019) to be necessary under Section I.3.9 and the CCIS of the ISO-NE Tariff to ensure a total transfer capacity at the Surowiec-South Interface of no less than 2,600 MW. NECEC LLC shall be financially responsible for all costs associated with the construction of the Network Upgrades in accordance with applicable ISO-NE Tariff provisions. Upon completion, the Network Upgrades shall remain the property of CMP, and CMP will be responsible for the operation and maintenance of such transmission facilities. These facilities shall be subject to Section V.B., Paragraph 1(d)(v, vi and vii) above.
- f. Affiliate Transactions: CMP and NECEC LLC agree to obtain Commission approval of all affiliate transactions related to the transfer, construction, operation or maintenance of the NECEC requiring approval under Maine law, including, without limitation, any interconnection agreement and affiliate

service agreements between NECEC LLC and any affiliate within the Avangrid family of companies. Any amounts charged to NECEC LLC for services provided by affiliates, including the Avangrid Service Company, will not count towards any annual cap on total affiliate charges applicable to CMP and other Avangrid affiliates within Maine. NECEC LLC, CMP and other affiliates may share employees, directors, officers and information as necessary for the construction, operation and maintenance of the NECEC.

- g. Compliance Filing: Prior to the commencement of construction of the NECEC, CMP and NECEC LLC will make a compliance filing which confirms completion of the transfer of the NECEC from CMP to NECEC LLC in accordance with the terms of this Stipulation and provides the AVANGRID Inc. guaranty and first priority security interest called for in Section V.B. Paragraph 1(d)(iv) above.

2. **Transmission Rates Customer Credit**: Effective with the 2019 rate change for transmission customers, CMP will provide a rate credit for RNS and LNS transmission customers totaling **\$1.005 million**. This credit represents the amounts paid in rates by RNS and LNS transmission customers for those portions of the transmission corridor necessary for the NECEC that have been included in FERC Account 105 for Plant Held for Future Use, plus carrying costs calculated using the FERC refund formula. In addition, upon the issuance of the CPCN for the NECEC, CMP will remove on a going forward basis all NECEC-related property from FERC Account 105 – Plant Held for Future Use.

3. **New Corridor Removed from Transmission Rates**: Upon the issuance of the CPCN for the NECEC, CMP will classify the unused portion of the transmission corridor

it has assembled from the Canada-United States border in Beattie Township to the Company's existing Section 222 transmission corridor as Non-Operating Property in Account 121 of FERC's Uniform System of Accounts until such time as CMP identifies with sufficient clarity a specific transmission project for development in such transmission corridor in accordance with applicable FERC precedent, regulations and standards. CMP agrees that it will not seek to recover the cost of this unused portion of transmission corridor through transmission rates by reclassifying the property as Plant Held For Future Use in Account 105 of FERC's Uniform System of Accounts or by any other means, unless the transmission project that will use this corridor is otherwise eligible for rate recovery in whole or in part from Maine retail customers pursuant to the then applicable FERC-approved transmission tariff.

4. **NECEC Low-Income Customer Benefits Fund:** NECEC LLC will establish a **\$50,000,000** NECEC Low-Income Customer Benefits Fund to fund one or more programs that benefit low-income energy customers in Maine in a manner designated by the OPA, in consultation with the Efficiency Maine Trust ("EMT") and the Governor's designee(s). NECEC LLC will fund the NECEC Low-Income Customer Benefits Fund by making annual payments to the program(s) identified by the OPA, in consultation with the EMT and the Governor's designee(s), of **\$1,250,000** beginning on the NECEC COD and continuing on each anniversary thereof for a period of forty (40) years. The NECEC Low-Income Customer Benefits Fund may be used to fund programs that are intended to reduce the amounts that low-income customers expend for electricity or other sources of energy and may include weatherization and household energy efficiency programs. In designating uses for these funds, the OPA, in consultation with the EMT and the Governor's designee(s),



may apply a preference for low-income energy customers located in the NECEC Host Communities. For purposes of this Stipulation, the “NECEC Host Communities” are defined as the municipalities and communities in which the NECEC Core Project Elements and Network Upgrades as identified in **Attachment A** are located and other municipalities and communities in Franklin and Somerset Counties materially impacted by the construction and operation of the Project.

5. **NECEC Rate Relief Fund**: NECEC LLC and CMP will establish a **\$140,000,000** NECEC Rate Relief Fund to be used to provide per kilowatt hour rate relief for retail electricity customers within CMP’s service territory. To fund the NECEC Rate Relief Fund, CMP will contribute the annual **\$1,500,000** transfer payments to be received from NECEC LLC under Section V.B, Paragraph 1(b) above. In addition, NECEC LLC will make annual contributions to the NECEC Rate Relief Fund of **\$2,000,000** beginning on the NECEC COD and continuing on each anniversary thereof for a period of forty (40) years. In addition, using commercially reasonable efforts CMP will each year seek to sell or otherwise monetize for maximum value the Environmental Attributes provided by HQUS in accordance with NECEC Support Agreement discussed below and contribute those funds to the NECEC Rate Relief Fund. CMP will then credit the **\$3,500,000** contributed annually to the NECEC Rate Relief Fund plus the proceeds from the sales of the Environmental Attributes, net of expenses to complete such sales, to CMP’s stranded cost account or such other account as the Commission may determine in the future will provide comparable per kilowatt hour sharing by all retail electricity customer classes within CMP’s service territory.

6. **Broadband Benefit:**

- a. CMP and NECEC LLC commit that the final design for the NECEC transmission lines will include the necessary facilities and equipment to provide additional fiber optic capacity on the NECEC HVDC transmission line and other AC transmission lines included within the Network Upgrades for the benefit of the State of Maine and in particular the NECEC Host Communities, with an estimated value of \$5,000,000.
- b. CMP and NECEC LLC further commit to construct the necessary fiber optic infrastructure to provide access to this fiber optic capacity at major road crossings or other appropriate access points along the NECEC project route, pursuant to the NECEC Support Agreement discussed in Section V.B, Paragraph 14 below.
- c. In consultation with ConnectME, the Governor's designee(s), OPA and HQUS, NECEC LLC will establish a \$10,000,000 NECEC Broadband Fund. The NECEC Broadband Fund will be funded by five (5) annual contributions of \$2,000,000 by HQUS starting on the NECEC COD. The NECEC Broadband Fund will be available to provide grants to support the implementation and maintenance of high speed broadband infrastructure in the host communities through which the NECEC transmission facilities run. This grant funding may be used for the following purposes:

- i. Payment of any and all costs to study the feasibility and, if commercially, technically and legally feasible, the implementation and construction of a fiber optic connection between the State of Maine and the fiber optic network serving Montreal, Province of Québec through NECEC, pursuant to the NECEC Support Agreement discussed in Section V.B, Paragraph 14 below, provided that no more than \$2,000,000 of the NECEC Broadband Fund may be used for these purposes;
- ii. Payment of legal, consulting and financial planning fees related to the establishment of public/private partnerships to expand the availability of high speed broadband in the host communities or ongoing project management required to expand and maintain the availability of high speed broadband in such communities including, but not limited to, providing broadband service to public buildings where citizens may access the service for personal or business use;
- iii. Payment of annual pole license fees in unserved and underserved areas; or
- iv. Payment of make-ready costs for utility poles in unserved and underserved areas.

7. **Heat Pump Benefit:** NECEC LLC will establish a **\$15,000,000** NECEC Heat Pump Fund for the installation in Maine of heat pumps, or other future efficient heating technologies that are as efficient, or more efficient, than the most efficient heat pumps agreed to by the OPA, the Governor’s designee(s), CLF, Acadia Center, and IECG in consultation with Efficiency Maine Trust (“EMT”). Program specifications, eligibility criteria and other details of the NECEC Heat Pump Fund will be developed on a collaborative basis by NECEC LLC, HQUS, OPA, the Governor’s designee(s), CLF, Acadia Center, and IECG in consultation with Efficiency Maine Trust (“EMT”) and may include a preference for targeted initiatives to reach low- and moderate-income individuals and communities in Maine. The NECEC Heat Pump Fund will be funded by HQUS and NECEC LLC as follows:

- a. Starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof, HQUS will make annual contributions of \$2,000,000 to the NECEC Heat Pump Fund, pursuant to the NECEC Support Agreement discussed in Section V.B, Paragraph 14 below;
- b. On the fifth and sixth anniversaries of the NECEC COD, NECEC LLC will make annual contributions of \$2,000,000 to the NECEC Heat Pump Fund; and
- c. On the seventh anniversary of the NECEC COD, NECEC LLC will make a contribution of \$1,000,000 to the NECEC Heat Pump Fund.

8. **NECEC Electric Vehicle (“EV”) Funds:** NECEC LLC, in consultation with CLF, Acadia Center, OPA, the Governor’s designee(s), EMT and IECG, and with the support of HQUS, will establish two funds totaling **\$15,000,000** for the purpose of expanding the numbers of electric vehicles (“EVs”) in Maine and maximizing access and exposure in Maine to EVs and EV infrastructure. The two funds are described below.

- a. **The Dirigo EV Fund:** The Dirigo EV Fund will be used to provide: (1) rebates to defray the cost of workplace, multi-unit dwelling and other public vehicle charging installations in Maine; and (2) consumer rebates for the purchase of qualifying EVs by Maine residents. The Dirigo EV Fund will be managed pursuant to a written agreement between CLF, Acadia Center and the Governor’s designee(s) prepared in consultation with CMP and NECEC LLC. Funding for the Dirigo EV Fund will be provided through a contribution of **\$5,000,000** from NECEC LLC. At the election of CLF, Acadia Center and the Governor’s designee(s) NECEC LLC may make this contribution, either through a lump sum payment based on documented program needs or

through alternative annual contributions, established by CLF, Acadia Center, and the Governor's designee(s) beginning in the year in which NECEC LLC and Hydro-Québec receive all necessary permits and approvals to construct the NECEC and the interconnecting transmission facilities in Québec. In the event that CLF, Acadia Center and the Governor's designee(s) elect that the NECEC EV Fund be funded by a lump sum payment, CLF, Acadia Center and the Governor's designee(s) shall provide NECEC LLC with detailed written descriptions of any such initiatives or programs to be funded with any such lump sum payment, including details as to the magnitude and timing of the funding requirements of such initiatives or programs. NECEC LLC, CLF, Acadia Center and the Governor's designee(s) shall jointly select a party to design the rebate program and/or administer the distribution of the Dirigo EV Fund. NECEC LLC further agrees to reimburse the Dirigo EV Fund up to \$50,000 for the charges for such program design and/or administration related work. The programs or initiatives funded by the Dirigo EV Fund, where applicable, shall be designed to:

- i. facilitate competitive development of charging stations by third parties;
  - ii. coordinate with other policy programs including Volkswagen settlement Appendix D expenditures;
  - iii. include targeted initiatives to reach low- and moderate-income individuals and communities in Maine; and
  - iv. exclude transmission and distribution utility ownership of end use charging stations, except in cases of market failure.
- b. The Hydro-Québec EV Fund: The **\$10,000,000** Hydro-Québec EV Fund will be used to fund the deployment of a state-wide fast and ultra-fast public

charging infrastructure network for EVs in Maine. Hydro-Québec will collaborate with CMP, OPA, IECG the Governor's designee(s), and other interested stakeholders in developing this network, which will enable Maine EV drivers and visitors to enjoy safe electric travel across the state, with the guaranteed availability of fast chargers at regular intervals of distance. This charging network will be compatible with other public networks already present in Maine and neighboring jurisdictions and will be operated and supported by Hydro-Québec. The Stipulating Parties will provide for public ownership of the equipment comprising, and general public access rights to reasonably use and enjoy, the EV charging infrastructure network developed pursuant to the Hydro-Quebec EV Fund, each for the useful of life of such equipment or charging infrastructure. The Hydro-Québec EV Fund will be funded through five payments of **\$2,000,000** by HQUS starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof, pursuant to the NECEC Support Agreement discussed in Section V.B, Paragraph 14 below.

9. **Franklin County Host Community Benefits:** NECEC LLC will establish a **\$5,000,000** NECEC Franklin County Host Communities Fund for the benefit of communities in Franklin County. NECEC LLC will fund this fund through ten (10) annual payments of \$500,000 starting on the NECEC COD and continuing on each of the ensuing anniversaries of the COD. The NECEC Franklin County Host Communities Fund will provide grant funding to support the charitable mission of the Greater Franklin Development Council ("GFDC"), a 501(c)(3) economic and community development

organization operating for the benefit of Franklin County residents) including the marketing of the Franklin County region, workforce development, business retention, and entrepreneurial support. NECEC LLC and GFDC will administer the NECEC Franklin County Host Communities Fund on a collaborative basis, and funds will be disbursed through a grant process that requires applicants to demonstrate the availability of matching funds. Applications for projects to help low-income citizens of Franklin County will be given a priority.

10. **Education Grant Funding:** NECEC LLC will contribute \$6,000,000 for education-related grants and programs as follows:

- a. Once the NECEC receives all State of Maine permits and approvals, NECEC LLC will contribute \$1,000,000 to Maine Prime Technologies LLC at the University of Maine to fund research and development activities associated with marine wind generation technology commercialization;
- b. Starting on the NECEC COD, NECEC LLC will make ten annual contributions of \$500,000 to fund the following:
  - i. Internship programs and scholarships for needy Maine students to attend the University of Maine Farmington totaling \$1,000,000 over ten years (\$100,000 per year); and
  - ii. Vocational programs, scholarships and innovative training programs in the areas of math, science and technology for the School Districts within Franklin and Somerset Counties or such programs and scholarships for Maine Community Colleges that serve students from Franklin and Somerset Counties, totaling \$4,000,000 over ten years. The Stipulating Parties agree to establish a governing board for the (\$400,000 per year) administration and use of these funds. Such board shall include two representatives from school districts in Franklin County, two representatives from Somerset County, and three representatives designated by the Maine Governor.

11. **Mitigating NECEC's Impacts on Transmission System and Existing and Future Maine Energy Resources:**

- a. CMP and NECEC LLC agree to actively participate in all ISO-NE studies to determine the thermal, voltage and stability ratings for the Surowiec-South interface applicable upon the completion of the NECEC and, consistent with good utility practice, advocate to ISO-NE to maximize the stability rating and the total transfer capacity at the Surowiec-South interface after the completion of the NECEC so that such rating is as close as possible to the expected thermal and/or voltage limits (2812 MW and 2930 MW, respectively) for that interface. This advocacy (whether oral or in writing) will address the reasonableness of applicable study assumptions and planning criteria and the appropriate balance between system reliability and achievement of New England's clean energy public policy objectives and will occur through direct interaction with ISO-NE and at appropriate stakeholder and ISO-NE committee meetings.
- b. CMP, CLF, Acadia Center, the Governor's designee(s), OPA, IECG and other interested stakeholders (to be chosen by a process agreed to by CMP, CLF, Acadia Center and the Governor's designee(s)) will engage one or more mutually agreed-upon transmission consultant(s) to evaluate and report on a suite of potential transmission and non-wires solutions (including but not limited to large scale solar and storage), and their respective estimated costs, that would reduce existing and projected congestion at the Maine/New Hampshire Interface and at the Surowiec-South interface. The consultant(s) will be selected through a jointly developed request for proposals or other



agreed upon method that establishes minimum consultant qualifications, services sought, scope of study and solutions to be analyzed. CMP will pay for this study, the costs of which shall not exceed \$2,000,000, and the study shall be commenced once all applicable permits and approvals for the construction of the NECEC transmission project in Maine are received and Hydro-Québec receives all applicable permits and approvals for the construction of the interconnecting transmission facilities in Québec. CMP agrees that it will not seek to recover the costs of this study from electricity customers.

- c. For any cost effective and commercially viable transmission and non-wires solution(s) identified in the Maine/New Hampshire and Surowiec-South interface report prepared pursuant to Section V.B, Paragraph 11(b) above, CMP agrees (directly or through an Avangrid affiliate) to fully assess and pursue all available means of approval and cost allocation pursuant to the ISO-NE Tariff, including but not limited to as a Reliability Transmission Upgrade, a Market Efficiency Transmission Upgrade or a Public Policy Transmission Upgrade, or as part of any future solicitation for clean energy and transmission capacity. To the extent a viable mechanism is determined to fund such solutions, CMP further agrees to, directly or through an Avangrid affiliate, propose such solution(s) in any applicable competitive solicitation, including without limitation any solicitation conducted under the ISO-NE Tariff, and, if such proposal is selected in such solicitation, seek all necessary permits and approvals to implement such solution(s) in

accordance with the then terms of the ISO-NE Tariff. In pursuing the development of such cost effective and commercially viable transmission and non-wires solution(s), CMP and its parent company, Avangrid Networks, agree to bear commercial risk associated with the development of the project.

- d. Within one year of NECEC COD, CMP (directly or through an Avangrid affiliate) shall create and make available an annual electric transmission and distribution system report for public notice (subject to CEII provisions) which analyzes system needs that may potentially be met by non-wires alternatives (“NWAs”). This report will detail capacity and load by substation and circuit and identify corresponding growth-related investments being planned for. This report will also include a detailed description of CMP’s planning and decision-making processes related to NWAs during the year, including transparency into the application of its NWA suitability criteria. CMP will work to develop and implement systems and analyses that can provide heat maps that: (i) show where integration of distributed generation is least likely to require substantial upgrades (i.e., hosting capacity maps); (ii) show the electric load on the electric distribution system, including electric loads during peak electricity demand time periods; and (iii) highlight the most congested or constrained areas of the electric distribution system. Additionally, CMP will support policies and regulations that seek to evaluate NWAs against traditional transmission and distribution projects through (i) the use of competitive solicitations and (ii) the use of

compensation mechanisms that create incentives to place NWAs on an equal footing from a ratemaking perspective. Such tools and heat maps will be available within one-year after NECEC COD.

- e. The above commitments in this Paragraph 11 are conditioned on (i) a CPCN being granted for the NECEC, (ii) NECEC LLC receiving all other necessary permits and approvals for the NECEC including, but not limited to, those issued by the MDEP, the LUPC, the USACE and the MDPU, and (iii) Hydro-Québec receiving all applicable permits and approvals for the construction of the interconnecting transmission facilities in Québec.

12. **Commitment to Long-term Planning for Regional Decarbonization:**

- a. As part of a regional decarbonization collaborative comprised of CLF, Acadia Center, utilities, the Governor's designee(s), OPA, IECG and other stakeholders (to be chosen by a process agreed to by CLF, Acadia Center, the Governor's designee(s) and CMP), CMP and NECEC LLC agree to work with the collaborative to jointly select and hire a consultant to perform an analysis of the means by which the Northeast Region may achieve economy-wide decarbonization of zero emissions by 2050 as called for by the most recent report of the Intergovernmental Panel on Climate Change Special Report on Global Warming of 1.5°C. CMP agrees to contribute at least 50 percent of the cost of this study and associated selection process. This contribution to the study cost by or on behalf of CMP shall not exceed \$500,000. As a member of the collaborative, CMP (directly or through an Avangrid affiliate) will actively engage in a regional stakeholder process to introduce and receive input on

the analysis and assess potential actions by which state policymakers could advance decarbonization in each energy consumption sector. CMP agrees that it will not seek to recover the costs of this study or stakeholder process from electricity customers.

- b. CMP agrees to work (directly or through an Avangrid affiliate) with a stakeholder group made up of CLF, Acadia Center, the Governor's designee(s), OPA, IECG, and other stakeholders (to be chosen by a process agreed to by CMP, CLF, Acadia Center and the Governor's designee(s)) to research and develop a set of utility policies and actions, and state regulatory reforms, that can most effectively facilitate economy-wide decarbonization in the region, consistent with the analysis conducted pursuant to Section V.B, Paragraph 12(a) above. CMP (directly or through an Avangrid affiliate), will work with this stakeholder group to develop a consensus around these approaches, draft proposed regulatory and legislative provisions by which the consensus approaches can be authorized, and actively seek state approval and implementation of them.
- c. The above commitments in this Paragraph 12 are conditioned on (i) a CPCN being granted for the NECEC and (ii) NECEC LLC receiving all other necessary permits and approvals for the NECEC including, but not limited to, those issued by the MDEP, the LUPC, the USACE and the MDPU.

13. **Securitization:** CMP, OPA, the Governor's Energy Office and IECG agree that electricity customers in Maine may benefit if the annual payments to the NECEC Low-income Customer Benefit Fund provided in Section V.B, Paragraph 4 and the annual payments to the

NECEC Rate Relief Fund provided in Section V.B, Paragraph 5 are leveraged through securitization. To facilitate the securitization of such payment streams, if possible, NECEC LLC, upon the NECEC COD, will establish a fund of **\$1,000,000** to be used to pay for any investment bank, investment advisor or consultant and/or legal fees incurred by OPA, the Governor's designee(s), IECG and CMP related to such securitization. In the event any of these funds are not needed to complete the securitization of either the NECEC Low-income Customer Benefit Fund or the NECEC Rate Relief Fund, any remaining balance will be disbursed to CMP to provide rate relief in accordance with Section V.B, Paragraph 5 above.

14. **HQUS Support Agreement:**

- a. In order to confirm HQUS's commitments herein, CMP, NECEC LLC and HQUS will enter a binding agreement enforceable under Maine law which reflects the following terms:
  - i. HQUS's commitment to provide CMP annually 400,000 MWh of environmental attributes related to deliveries of hydroelectric power to New England over the NECEC or otherwise (the "NECEC Environmental Attributes") for a twenty (20) year period starting in the first full year after NECEC COD. The NECEC Environmental Attributes shall mean any and all generation attributes under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now or in the future, to the favorable generation or environmental attributes of Hydro-Québec hydropower generation resources including, but not limited to: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Hydro-Québec hydropower generation resources using renewable technology or displacement of fossil-fuel derived or other conventional energy generation; or (b) any certificates issued pursuant to the NEPOOL Generation Information System Operating Rules ("GIS") in connection with energy generated by the Hydro-Québec hydropower generation resources;

- ii. Hydro-Québec's commitment to include sufficient fiber optic capacity in the Québec transmission facilities interconnecting to the NECEC to provide a fiber optic connection between the State of Maine and the fiber optic network serving Montreal, Province of Québec, subject to commercial, technical and legal feasibility;
  - iii. HQUS's commitment to contribute \$10,000,000 to the NECEC Broadband Fund through five payments of \$2,000,000 starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof and to share its expertise on broadband infrastructure;
  - iv. HQUS's commitment to contribute \$10,000,000 to the NECEC Heat Pump Fund through five payments of \$2,000,000 starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof;
  - v. Hydro-Québec's commitment to share its expertise with respect to EV infrastructure in developing the programs and initiatives funded by the Hydro-Québec EV Fund for the benefit of the State of Maine;
  - vi. HQUS's commitment to contribute \$10,000,000 to the Hydro-Québec EV Fund through five payments of \$2,000,000 starting on the NECEC COD and annually on the first, second, third and fourth anniversaries thereof;
  - vii. HQUS's commitment to pay NECEC LLC annually \$3,500,000 beginning on the NECEC COD and continuing on each anniversary thereof for a period of forty (40) years in addition to all amounts due under the TSAs; and
  - viii. A guaranty from Hydro-Québec of HQUS's payment obligations under the HQUS Support Agreement or such other appropriate credit support for such obligations as the parties to the HQUS Support Agreement agree.
- b. Prior to the commencement of construction of the NECEC, NECEC LLC will file the HQUS Support Agreement and the Hydro-Québec guaranty or other credit support with the Commission as a compliance filing in this docket.

15. **Maine Workers Preference:** All other factors being equal and consistent with applicable law and applicable labor agreements, NECEC LLC, and its contractors working on the construction of the NECEC will give preference to hiring Maine workers.

16. **Funding Commitments Conditions Precedent:** The funding commitments in Section V.B, Paragraphs 4, 5, 6, 7, 8(b), 9, and 10(b) above are conditioned on the NECEC achieving commercial operation.

**C. Nontransmission Alternatives Findings**

1. The Stipulating Parties further agree and recommend that the Commission find, based on the record in this proceeding, that no nontransmission alternative (“NTA”), whether large-scale generation, distributed generation, demand response resource, or conservation alternative, can feasibly substitute for the NECEC at a lower cost to Maine electricity customers. The NECEC will serve the public need by transmitting up to 1,200 MW of hydropower energy from Québec to New England effectively replacing retiring baseload generation, and providing the State of Maine with its first transmission interconnection with the vast Hydro-Québec hydropower generation system. No NTA has the technical capability, size or scale to satisfy this public need, and even if an NTA could meet this public need, no such alternative could so do at a lower total cost to Maine electricity customers, since no NECEC related costs will be borne by Maine electricity customers.

**VI. ADDITIONAL STIPULATION TERMS**

1. The execution of this Stipulation by any Stipulating Party shall not constitute precedent as to any matter of law or fact and, except as expressly provided herein, shall not foreclose any of the Stipulating Parties from making any contention or exercising any right,

including rights of appeal, in any other Commission proceeding or investigation, or any other trial or action.

2. The Stipulating Parties intend that this Stipulation be considered by the Commission for adoption as an integrated solution to the issues addressed herein which arose in the above-captioned proceeding and as otherwise presented in this Stipulation. The Stipulating Parties also intend that this Stipulation shall be null and void, and not bind the Stipulating Parties in the above-captioned proceeding, in the event the Commission does not adopt this Stipulation without material modification.

3. If not accepted by the Commission in accordance with the provisions hereof, this Stipulation shall not prejudice the positions taken by any Stipulating Party on these issues before the Commission in this proceeding and shall not be admissible evidence therein or in any other proceeding before the Commission.

4. Upon approval by the Commission, this Stipulation shall have the legal effect of a binding contractual agreement and shall not be amended without the written agreement of CMP, NECEC LLC, OPA, IECG, CLF, Acadia Center, the Governor's Energy Office, WMRC, City of Lewiston, Chamber, and IBEW.

5. All rights, commitments and obligations under this Stipulation shall be binding upon and inure to the benefit of the lawful successors or assigns of the applicable responsible entities identified herein. In the event that a responsible entity ceases to operate or legally exist without a successor or assign, the Stipulating Parties, in consultation with Commission Staff, will confer to identify an appropriate successor or assign in order that the purposes of this Stipulation may be achieved and, as necessary and appropriate, seek Commission approval of such successor or assign.



6. The Stipulating Parties agree that the record in support of this Stipulation includes: (a) this Stipulation, and (b) any and all confidential or public materials contained in the Commission's Administrative Record of Docket No. 2017-00232 as of this date, as set forth in Section III of this Stipulation.

7. The Stipulating Parties hereby waive any rights that they have under 5 M.R.S. § 9062(4) and Chapter 110, Section 8(F)(4) of the Commission Rules of Practice and Procedure to the extent necessary to permit Commission Staff to discuss this Stipulation and the resolution of the issues addressed in this Stipulation with the Commissioners, either before or at the Commission's scheduled deliberations, without providing to the Stipulating Parties an Examiners' Report or the opportunity to file Exceptions.

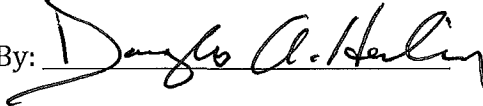
8. All Attachments referred to in this Stipulation are incorporated herein by reference and are intended to be considered as part of this Stipulation as if their terms were fully set forth in the body of this Stipulation.

9. In the event that the Stipulating Parties cannot agree on the implementation of necessary details related the administration or use of any of the funds described in Sections V.B, Paragraphs 4, 5, 6, 7, 8, 9, or 10 of this Stipulation, the Commission shall retain jurisdiction to interpret the binding contractual effect of such provisions in accordance with its authority under Maine law.

**[Remainder of page intentionally left blank]**

IN WITNESS WHEREOF, the Stipulating Parties have caused this Stipulation to be executed by their respective attorneys or representatives, or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

CENTRAL MAINE POWER COMPANY

By: 

By: 

MAINE OFFICE OF THE PUBLIC ADVOCATE

By: \_\_\_\_\_

GOVERNOR'S ENERGY OFFICE

By: \_\_\_\_\_

INDUSTRIAL ENERGY CONSUMER GROUP

By: \_\_\_\_\_

CONSERVATION LAW FOUNDATION

By: \_\_\_\_\_


IN WITNESS WHEREOF, the Stipulating Parties have caused this Stipulation to be executed by their respective attorneys or representatives, or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

MAINE OFFICE OF THE PUBLIC ADVOCATE

By:  \_\_\_\_\_

Barry J. Hobbins, Public Advocate

GOVERNOR'S ENERGY OFFICE

By: \_\_\_\_\_

INDUSTRIAL ENERGY CONSUMER GROUP

By: \_\_\_\_\_

CONSERVATION LAW FOUNDATION

By: \_\_\_\_\_

IN WITNESS WHEREOF, the Stipulating Parties have caused this Stipulation to be executed by their respective attorneys or representatives, or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

MAINE OFFICE OF THE PUBLIC ADVOCATE

By: \_\_\_\_\_

GOVERNOR'S ENERGY OFFICE

By: Angela Monroe

INDUSTRIAL ENERGY CONSUMER GROUP

By: \_\_\_\_\_

CONSERVATION LAW FOUNDATION

By: \_\_\_\_\_

IN WITNESS WHEREOF, the Stipulating Parties have caused this Stipulation to be executed by their respective attorneys or representatives, or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

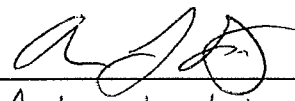
MAINE OFFICE OF THE PUBLIC ADVOCATE

By: \_\_\_\_\_

GOVERNOR'S ENERGY OFFICE

By: \_\_\_\_\_

INDUSTRIAL ENERGY CONSUMER GROUP

By:  \_\_\_\_\_  
Andrew Landry  
Counsel for IECG

CONSERVATION LAW FOUNDATION

By: \_\_\_\_\_

IN WITNESS WHEREOF, the Stipulating Parties have caused this Stipulation to be executed by their respective attorneys or representatives, or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

MAINE OFFICE OF THE PUBLIC ADVOCATE

By: \_\_\_\_\_

GOVERNOR'S ENERGY OFFICE

By: \_\_\_\_\_

INDUSTRIAL ENERGY CONSUMER GROUP

By: \_\_\_\_\_

CONSERVATION LAW FOUNDATION

By: 

ACADIA CENTER

By: Deborah Donovan

MAINE STATE CHAMBER OF COMMERCE

By: \_\_\_\_\_

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS

By: \_\_\_\_\_

CITY OF LEWISTON

By: \_\_\_\_\_

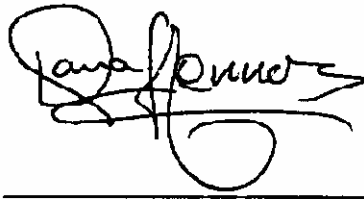
WESTERN MOUNTAINS & RIVERS  
CORPORATION

By: \_\_\_\_\_

ACADIA CENTER

By: \_\_\_\_\_

MAINE STATE CHAMBER OF COMMERCE

A handwritten signature in black ink, appearing to read "Dana Kennedy", written over a horizontal line.

By: \_\_\_\_\_

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS

By: \_\_\_\_\_

CITY OF LEWISTON

By: \_\_\_\_\_

WESTERN MOUNTAINS & RIVERS  
CORPORATION

By: \_\_\_\_\_



ACADIA CENTER

By: \_\_\_\_\_

MAINE STATE CHAMBER OF COMMERCE

By: \_\_\_\_\_

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS

By: Jan B. Bogan

CITY OF LEWISTON

By: \_\_\_\_\_

WESTERN MOUNTAINS & RIVERS  
CORPORATION

By: \_\_\_\_\_

ACADIA CENTER

By: \_\_\_\_\_

MAINE STATE CHAMBER OF COMMERCE

By: \_\_\_\_\_

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS

By: \_\_\_\_\_

CITY OF LEWISTON

By: Edward G. Bane

WESTERN MOUNTAINS & RIVERS  
CORPORATION

By: \_\_\_\_\_

## **ATTACHMENT A**

### **NECEC Transmission Facilities**

As set forth in the Stipulation, the NECEC consists of the following transmission line and substation components, each such component either a core project element or necessary network upgrade. The CPCN for the NECEC shall permit construction of all such project components, as well as any additional related transmission facilities that ISO-NE determines are necessary to meet the requirements of (i) Section I.3.9 of the ISO-NE's Transmission, Markets and Services Tariff; or (ii) the ISO-NE's Capacity Capability Interconnection Standard ("CCIS"), without further Commission review, in this docket or otherwise.

#### **Core Project Elements**

##### **1. Transmission Line Equipment:**

- New 145.3 mile +/-320 kV HVDC Transmission Line from the Canadian Border to a new converter station located on Merrill Road in Lewiston (Section 432)
- New 1.6 mile 345 kV AC Transmission Line from the new Merrill Road Converter Station to the existing Larrabee Road Substation (Section 3007)

##### **2. Substation Equipment:**

- New 345 kV AC to +/-320 kV HVDC 1200MW Merrill Road Converter Station
- Additional 345 kV AC Transmission Line Terminal at the existing Larrabee Road Substation

#### **Network Upgrades:**

##### **1. Transmission Line Equipment:**

- New 26.5 mile 345 kV AC Transmission Line from the existing Coopers Mills Road Substation in Windsor to the existing Maine Yankee Substation in Wiscasset (Section 3027)
- New 0.3 mile 345 kV AC Transmission Line from the existing Surowiec Substation in Pownal to a new substation on Fickett Road in Pownal (Section 3005)
- Rebuild of 9.3 mile 115 kV Section 62 AC Transmission Line from the existing Crowley's Substation in Lewiston to the existing Surowiec Substation

- Rebuild of 16.1 mile 115 kV Section 64 AC Transmission Line from the existing Larrabee Road Substation to the existing Surowiec Substation
- Partial rebuild of 0.8 miles each of 115 kV Sections 60 and 88 AC Transmission Lines outside of the Coopers Mills Road Substation
- Partial rebuild of 0.3 miles of 345 kV Section 392 AC Transmission Line between the Coopers Mills Road Substation and the Maine Yankee Substation and approximately 3.5 miles of reconductor work on existing double circuit lattice steel towers outside of the Maine Yankee Substation
- Partial rebuild of 0.3 miles of 345 kV Section 3025 AC Transmission Line between the Coopers Mills Road Substation and the Larrabee Road Substation
- Partial Rebuild of 0.8 miles of 34.5 kV Section 72 AC Transmission Line outside of the Larrabee Road Substation

## **2. Substation Equipment:**

- Replace existing Larrabee Road 345/115 kV 448MVA autotransformer with a 600MVA autotransformer
- Additional 345 kV AC Transmission Line Terminal at the existing Maine Yankee Substation
- Additional 345 kV AC Transmission Line Terminal and 115 kV switch replacements at the existing Surowiec Substation
- 115 kV switch and bus wire replacements at Crowley's Substation
- New 345 kV Fickett Road Substation with 345 kV +/-200MVAR Static Compensator (STATCOM)
- Additional 345 kV AC Transmission Line Terminal and additional 345 kV +/-200MVAR STATCOM (+/-400MVAR total with the +/-200MVAR existing) at the existing Coopers Mills Road Substation
- Additional 345/115 kV 448MVA Autotransformer, associated 115kV buswork and terminate existing 115 kV Sections 164, 164A, and 165 into 3 new breaker-and-a-half bays at the existing Raven Farm Substation

## NECEC TRANSFER AGREEMENT

**THIS NECEC TRANSFER AGREEMENT** (the “Agreement”), dated as of \_\_\_\_\_, 2019 (the “Contract Date”), is by and between **CENTRAL MAINE POWER COMPANY**, a Maine corporation (“CMP”) and **NECEC TRANSMISSION LLC**, a Delaware limited liability company (“Project Entity”).

### RECITALS

A. CMP is developing a 1,200 MW +/- 320 kV HVDC transmission line extending from the U.S. border at Beattie Township, Maine to a new direct current to alternating current converter station to be located in Lewiston, Maine and a 345 kV alternating current transmission line between the converter station and CMP’s substation at Larrabee Road, Lewiston, Maine to provide transmission service pursuant to certain transmission service agreements all being collectively known as the New England Clean Energy Connect transmission project (the “NECEC”). The NECEC includes, without limitation, real estate interests, transmission service agreements, land use permits, regulatory approvals and vendor contracts.

B. On June 13, 2018, CMP entered into the following seven (7) transmission service agreements (each a “TSA” and jointly the “TSAs”): Transmission Service Agreement between Central Maine Power Company and Fitchburg Gas and Electric Light Company d/b/a Unitil; Transmission Service Agreement between Central Maine Power Company and Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid; Transmission Service Agreement between Central Maine Power Company and Nstar Electric Company d/b/a Eversource Energy; Transmission Service Agreement (Unitil – 12.317 MW) between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc.; Transmission Service Agreement (National Grid – 498.348 MW) between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc.; Transmission Service Agreement (Eversource Energy – 579.335 MW) between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc.; Additional Transmission Service Agreement between Central Maine Power Company and H.Q. Energy Services (U.S.) Inc. The TSAs were accepted for filing by the Federal Energy Regulatory Commission (“FERC”) on October 19, 2018.

C. In order to address certain questions raised in the Maine Public Utilities Commission Proceeding, Docket No. 2017-00232 regarding the NECEC, CMP desires to convey the NECEC to the Project Entity, and the Project Entity desires to acquire the NECEC from CMP, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**1. Conveyance of Real Estate Interests.**

Subject to the terms and conditions of this Agreement, CMP agrees to convey, at the Closing, and the Project Entity agrees to accept, at the Closing, certain real estate interests sufficient to construct and operate a transmission line between Beattie Township, Maine and Lewiston, Maine together with land for the construction and operation of a converter station in Lewiston, Maine, together with real estate interests necessary to construct and operate a transmission line from the converter station to CMP's substation at Larrabee Road, Lewiston, Maine and the right to purchase additional land to access the converter station (the "Real Estate Interests"). The Real Estate Interests consist of the following:

(a) A fee interest in an approximately 20-acre parcel of land in Lewiston, Maine (the "Converter Station Parcel"), which shall be conveyed by a deed substantially in the form attached hereto as Exhibit A (the "Deed");

(b) An easement for a transmission line from Beattie Township, Maine to Lewiston, Maine which shall be conveyed by an easement deed substantially in the form attached hereto as Exhibit B (the "Easement"), with such changes as the Parties may agree to, including, without limitation, changes to the description of the easement areas as needed to conform to the NECEC transmission line detail engineering design;

(c) A 100% tenant's interest in a Transmission Line Lease between the Passamaquoddy Tribe, as Lessor, and CMP, as Lessee, dated October 23, 2017 (the "Passamaquoddy Lease") which shall be assigned by an assignment substantially in the form attached hereto as Exhibit C (the "Passamaquoddy Lease Assignment");

(d) A 100% tenant's interest in a Transmission Line Lease between the Maine Department of Agriculture, Conservation and Forestry, as Lessor, and CMP, as Lessee, dated December 15, 2014 (the "State of Maine Lease") which shall be assigned by an assignment substantially in the form attached hereto as Exhibit D (the "State of Maine Lease Assignment");

(e) A fee interest in all of the real estate parcels that are ultimately approved by the Maine Department of Environmental Protection and the US Army Corps of Engineers as compensatory mitigation for environmental permits related to the NECEC (the "Compensation Land"). The Compensation Land will be restricted in perpetuity to offset impacts on wetlands and impacts on existing recreational uses as a result of the NECEC. A preliminary list of the Compensation Land is attached hereto as Exhibit E, it being agreed that such list is subject to change by the addition, removal, or substitution of parcels as the permitting process continues. The conveyance of the Compensation Land from CMP to the Project Entity will not materially affect the ability of CMP to perform its duties to the public. The Compensation Land shall be conveyed by one or more deeds substantially in the form of the Deed (the "Compensation Land Deeds"); and

(f) Options to purchase land in Lewiston, Maine near the Converter Station Parcel to create additional means of access to the Converter Station Parcel, (the "Options")

which shall be assigned by an assignment substantially in the form attached hereto as Exhibit F (the “Option Assignment”).

**2. Conveyance of Permits.**

At the Closing, CMP shall assign to the Project Entity and the Project Entity shall assume all land use permits, any outstanding land use permit applications, and other regulatory permits (the “Permits”) related to the NECEC. The Permits include, but are not limited to, the following: A land use certification from the Maine Land Use Planning Commission, a Site Location of Development Act permit from the Maine Department of Environmental Protection, a Natural Resources Protection Act permit from the Maine Department of Environmental Protection, a Section 404 dredge and fill permit from the U.S. Army Corps of Engineers, a Presidential Permit, and various municipal permits and approvals from municipalities with jurisdiction over NECEC. It is anticipated that CMP shall be required to convey certain compensation real estate (other than the Compensation Land) to the State of Maine as a condition of some of the Permits, and the value of such real estate is incorporated into this Agreement. To the extent CMP has not conveyed such real estate to the State of Maine prior to the transfer of the applicable Permits to the Project Entity, CMP shall also convey such real estate to the Project Entity for no additional consideration. The parties shall cooperate to effectuate the assignment of the Permits, including obtaining any required approvals for the assignment, and to obtain any Permits for which an application has been assigned by CMP to the Project Entity.

**3. Conveyance of Transmission Services Agreements.**

At the Closing, CMP shall assign to the Project Entity, and the Project Entity shall assume, the TSAs, as amended, including all of CMP’s rights, interests and obligations under the TSAs. To the extent any approvals or third party consents are required for the assignment of the TSAs, either prior to or after the Closing, the parties shall cooperate to obtain such approvals or third party consents. In connection with the assignment of the TSAs, the Project Entity shall cause the amendment or replacement of the letters of credit provided on behalf of CMP under the TSAs.

**4. Assignment of Third Party Vendor Agreements, Related Assets, and Miscellaneous Agreements.**

(a) At the Closing, CMP shall assign to the Project Entity, and the Project Entity shall assume, the agreements executed by CMP with third party vendors and service providers in connection with the development and construction of the NECEC, including, but not limited to, those listed in Exhibit G and any other such agreement executed by CMP between the Contract Date and the Closing (“Third Party Vendor Agreements”). As a result of such assignment, the Project Entity shall assume all of CMP’s rights, interests and obligations under the Third Party Vendor Agreements.

(b) At the Closing, CMP shall assign or otherwise convey to the Project Entity, and the Project Entity shall assume and accept, such other tangible and intangible assets related to the NECEC that CMP may possess including, without limitation, designs, plans and other work

product of CMP or vendors related to the NECEC, and intellectual property related to the NECEC (collectively, the “Related Assets”).

(c) At the Closing, CMP shall assign or otherwise convey to the Project Entity, and the Project Entity shall assume and accept, (i) the rights and obligations under that certain Joint Development Agreement dated January 23, 2019 between CMP and Hydro-Quebec Transénergies and any related agreement between CMP and H.Q. Energy Services (U.S.) Inc.,; and (ii) some, but not all, of the rights and obligations of CMP under that certain Memorandum of Understanding dated May 30, 2018 between CMP and Western Mountains & Rivers Corporation, a Maine nonprofit corporation, including CMP’s obligation to contribute certain funds to a trust subject to the terms and conditions of said Memorandum of Understanding (collectively, the “Miscellaneous Agreements”).

**5. Consideration.** The consideration (the “Consideration”) for the conveyance of the NECEC, including, without limitation, the Real Estate Interests, the Permits, the TSAs, the Third Party Vendor Agreements, the Related Assets, the Miscellaneous Agreements and any goodwill of CMP associated with the NECEC, is \$60,000,000.00 and shall be payable as follows:

(a) \$1,500,000.00 shall be paid by the Project Entity to CMP on the date the NECEC achieves commercial operation (the “COD”).

(b) The balance of the Consideration shall be paid by the Project Entity to CMP in thirty-nine (39) equal annual installments of \$1,500,000.00 due on the ensuing thirty-nine (39) anniversaries of the COD.

**6. Closing.**

(a) The Closing shall take place at such time and place as shall be mutually agreed to by the Project Entity and CMP.

(b) The following shall occur at the Closing, each being a condition precedent to the others and all being considered as occurring simultaneously:

(i) CMP shall execute, have acknowledged and deliver to the Project Entity the Deed, the Easement, the Passamaquoddy Lease Assignment, the State of Maine Lease Assignment, the Compensation Land Deeds and the Option Assignment;

(ii) CMP shall assign and the Project Entity shall assume the Permits;

(iii) CMP shall assign and the Project Entity shall assume the TSAs;

(iv) CMP shall assign and the Project Entity shall assume the Third Party Vendor Agreements;



(v) CMP shall assign and convey and the Project Entity shall assume and receive all Related Assets;

(vi) CMP shall assign and convey and the Project Entity shall assume the Miscellaneous Agreements;

(vii) CMP shall deliver an affidavit indicating that CMP is not a foreign person and that the transaction is exempt from the requirements of 26 U.S.C. §1445;

(viii) CMP shall deliver an affidavit indicating that CMP is a Maine resident;

(ix) Each party shall deliver to the other such other documents, certificates and the like as may be required herein or as may be necessary or helpful to carry out its obligations under this Agreement; and

(x) Each party shall deliver to the other necessary corporate or limited liability company evidence of authority (as the same may be applicable).

**7. Survival of Obligations.**

Any obligations herein that are not satisfied as of the Closing shall survive the Closing and this Agreement shall remain in full force and effect until all obligations herein are satisfied.

**8. Service Agreement.**

At the Closing, the parties shall enter into a service agreement, substantially in the form attached hereto as Exhibit H, whereby the Project Entity shall acquire services from CMP related to the development, construction and long-term operation of the NECEC.

**9. Reserved Right to Sublease.**

With respect to the Passamaquoddy Lease and the State of Maine Lease, the parties agree that at any time during the term of either Lease, CMP may request that the Project Entity sublease one-half (1/2) of the width of either or both Leases to CMP for no consideration; provided, however, that each such sublease, shall require CMP to pay rent to the Project Entity equal to one-half (1/2) of the rent under the Lease for the term of the sublease. The parties shall cooperate to obtain all necessary permits and approvals for any such sublease requested by CMP.

**10. Right of Way over Converter Station Access Road.**

Promptly after the Project Entity acquires title to the properties described in the Options, the Project Entity and CMP shall enter into a reciprocal easement agreement, substantially in the form attached hereto as Exhibit I, whereby the Project Entity shall grant CMP an access easement over the parcels acquired pursuant to the Options to access CMP's adjoining transmission corridor and CMP shall grant the Project Entity an access easement over its

transmission corridor between the parcels acquired pursuant to the Options and the Converter Station Parcel. There shall be no additional consideration for the reciprocal easement agreement.

**11. Network Upgrades.**

As part of the NECEC, upgrades to certain of CMP's existing transmission facilities will be necessary in order to permit the interconnection of the NECEC to the transmission system administered by ISO-NE in accordance with Section I.3.9 and the Capacity Capability Interconnection Standard of the ISO-NE Open Access Transmission Tariff (the "ISO-NE Tariff") (the "Network Upgrades"). CMP agrees to cooperate with the Project Entity to construct the Network Upgrades, provided that the Project Entity shall either pay for directly, or reimburse CMP for, the cost of the Network Upgrades in accordance with applicable ISO-NE Tariff provisions. Upon completion, the Network Upgrades shall remain the property of CMP.

**12. Miscellaneous.**

(a) The Parties shall cooperate to obtain any regulatory approvals or third party consents that may be required to effectuate the transaction contemplated by this Agreement.

(b) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest and permitted assigns.

(c) It is understood and agreed that all understandings, agreements, warranties or representations, either oral or in writing, including without limitation any letters of intent or prior agreements, heretofore between the parties hereto with respect to the subject matter of this Agreement are merged in and superseded by this Agreement, which document alone fully and completely expresses the parties' agreement with respect to the transactions covered hereby. The Project Entity acknowledges that it is not relying upon any statements or representations not embodied in this Agreement. This Agreement may not be modified in any manner except by a subsequent instrument in writing signed by CMP and the Project Entity.

(d) This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall constitute but one and the same instrument. This Agreement may be delivered electronically by pdf file.

(e) This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Maine.

(f) Each party represents and warrants that the execution of this Agreement, and the obligations created herein, have been authorized by all necessary and appropriate corporate or limited liability company approvals, as applicable.

*[Signature Page Follows]*

**IN WITNESS THEREOF**, the parties have executed this Agreement as a sealed instrument, to be effective as of the Contract Date.

**CENTRAL MAINE POWER COMPANY,**  
a Maine corporation

By: \_\_\_\_\_  
Name:  
Its:

By: \_\_\_\_\_  
Name:  
Its:

**NECEC TRANSMISSION LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Its:

**EXHIBIT A**

**Form of Deed**

**QUITCLAIM DEED WITH COVENANT**

KNOW ALL BY THESE PRESENTS, that **CENTRAL MAINE POWER COMPANY**, a Maine corporation with a mailing address of 83 Edison Drive, Augusta, Maine 04330, for consideration paid, grants to **NECEC TRANSMISSION LLC**, a Delaware limited liability company, with a mailing address of \_\_\_\_\_, \_\_\_\_\_ County, \_\_\_\_\_, with QUITCLAIM COVENANT, certain lots or parcels of land and all improvements thereon, situated in Lewiston, Androscoggin County, Maine, being more particularly bounded and described as follows:

See **EXHIBIT A** attached hereto and made a part hereof.

IN WITNESS WHEREOF, Central Maine Power Company has caused this instrument to be executed by \_\_\_\_\_, its \_\_\_\_\_, and \_\_\_\_\_, its \_\_\_\_\_, effective as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

*[SIGNATURE PAGES TO FOLLOW]*

CENTRAL MAINE POWER COMPANY,  
a Maine corporation

By: \_\_\_\_\_  
Name:  
Its:

State of \_\_\_\_\_  
County of \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_ personally appeared the above-named  
\_\_\_\_\_ (Name), \_\_\_\_\_ (Title) of Central Maine Power Company, a  
Maine corporation, and acknowledged the foregoing instrument to be his/her free act and deed  
in his/her said capacity and the free act and deed of said corporation.

Before me,

\_\_\_\_\_  
Notary Public/Maine Attorney at Law  
Printed Name  
My Commission expires: \_\_\_\_\_

CENTRAL MAINE POWER COMPANY,  
a Maine corporation

By: \_\_\_\_\_  
Name:  
Its:

State of \_\_\_\_\_  
County of \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_ personally appeared the above-named  
\_\_\_\_\_ (Name), \_\_\_\_\_ (Title) of Central Maine Power Company, a  
Maine corporation, and acknowledged the foregoing instrument to be his/her free act and deed  
in his/her said capacity and the free act and deed of said corporation.

Before me,

\_\_\_\_\_  
Notary Public/Maine Attorney at Law  
Printed Name  
My Commission expires: \_\_\_\_\_

## **EXHIBIT A**

Two certain lot or parcel of land situated northerly of, but not abutting to, Merrill Road, in the City of Lewiston, county of Androscoggin, and State of Maine, bounded and described as follows to wit:

### **Small Triangle**

Beginning on the southwesterly municipal boundary by and between The City of Lewiston and the Town of Greene at a point located on the easterly line of land of Central Maine Power Company, reference is to be made to a deed of merger dated December 23, 2005 and recorded in the Androscoggin County Registry of Deeds in Book 3761, Page 304 and to a deed dated November 5, 1930 and recorded in the Androscoggin County Registry of Deeds in Book 408, Page 280, being the southwesterly line of land conveyed to George P. Schott by a deed dated April 12, 1996 and recorded in the Androscoggin County Registry of Deeds in Book 3580, Page 349;

Thence, southeasterly on a course of S 55°-08'-27" E along southwesterly municipal boundary, being the southwesterly line of land of Schott a distance of thirty-two and forty-four hundredths (32.44) feet to a point located on the northwesterly corner of LOT 79 of the City of Lewiston;

Thence, southwesterly on a course of S 38°-00'-54" W along the northwesterly line of LOT 79 a distance of one hundred twenty-two and forty-one hundredths (122.41) feet to a point located on the easterly line of land of Central Maine Power Company (408/280);

Thence, northerly on a course of N 22°-59'-06" E along the easterly line of land of Central Maine Power Company a distance of one hundred twenty-four and ninety (124.90) feet to the point and place of beginning. Containing 1,982.40 square feet (0.046 acres).

Bearings are based on a GPS Observation of Grid North.

### **20.010 Acre Parcel**

Beginning on the southwesterly municipal boundary by and between The City of Lewiston and the Town of Greene at a point located at the northwesterly corner of land conveyed to \_\_\_\_\_ by a deed dated July 26, 1984 and recorded in the Androscoggin County Registry of Deeds in Book 1745, Page 003;

Thence, southwesterly on a course of S 36°-46'-19" W along the southwesterly line of land of Perron a distance of nine hundred seventy-six and zero hundredths (976.00) feet to a point;

Thence, northwesterly on a course of N 59°-26'-38" W through land conveyed to \_\_\_\_\_ by a deed dated September 23, 1987 and recorded in the Androscoggin County Registry of Deeds in Book 2159, Page 240, a distance of seven hundred forty-five and forty hundredths (745.40) feet to a point located on the easterly line of land of Central Maine Power Company, reference is to be made to a deed of merger dated December 23, 2005 and recorded in the Androscoggin County Registry of Deeds in Book 3761, Page 304 and to a deed

dated November 14, 1930 and recorded in the Androscoggin County Registry of Deeds in Book 407, Page 526;

Thence, northerly on a course of N 22°-59'-06" E along the easterly line of land of Central Maine Power Company a distance of nine twenty-nine and four hundredths (929.04) feet to a point located on the northwesterly line of LOT 79 of the City of Lewiston;

Thence, northeasterly on a course of N 38°-00'-54" E along the northwesterly line of LOT 79 a distance of one hundred twenty-two and forty-one hundredths (122.41) feet to a point located on the southwesterly municipal boundary by and between The City of Lewiston and the Town of Greene;

Thence, southeasterly on a course of S 55°-08'-27" E along southwesterly municipal boundary, being the southwesterly line of land of Schott a distance of nine hundred sixty and twenty-nine hundredths (960.29) feet to the point and place of beginning. Containing 20.01 acres of land, more or less.

Bearings are based on a GPS Observation of Grid North.

Central Maine Power Company acquired its title to the above described Small Triangle and 20.010 Acre Parcel in a deed from \_\_\_\_\_ dated April 9, 2018 and recorded in the Androscoggin Registry of Deeds in Book 9817, Page 72. This conveyance is for the entirety of the land acquired in said deed.



**Form of Easement****TRANSMISSION LINES EASEMENT DEED**

**WHEREAS CENTRAL MAINE POWER COMPANY**, a Maine corporation with a place of business at 83 Edison Drive, Augusta, Maine 04366 (hereinafter referred to as "**CMP**", which word is intended to include, unless expressly stated otherwise, CMP and its successors and assigns), owns, in part as fee and in part as easement, certain lands located in the City of Lewiston and Towns of Greene, Leeds and Livermore Falls, all in Androscoggin County, Maine; Jay, Chester, Wilton, Farmington and Industry, all in Franklin County, Maine; Starks, Anson, Embden, Concord, Moscow, Caratunk, Bald Mountain (T2R3 BKP EKR), The Forks Plantation, Moxie Gore (T1R5 BKP EKR), West Forks Plantation, Johnson Mountain (T2R6 BKP WKR), Parlin Pond (T3R7 BKP WKR), Bradstreet (T4R7 BKP WKR), Hobbstown (T4R6 BKP WKR), Raytown (T5R7 BKP WKR) and Appleton (T6R7 BKP WKR), all in Somerset County, Maine; and Skinner (T1R7 WBKP), Lowelltown (T1R8 WBKP) and Beattie (T2R8 WBKP), all in Franklin County, Maine, hereinafter, the "**CMP LAND**", included in the lands acquired pursuant to the instruments listed on **SCHEDULE 1, CMP DEEDS**, attached and made a part hereof (the "**CMP DEEDS**");

**WHEREAS NECEC TRANSMISSION LLC**, a Delaware limited liability company with a place of business at One City Center, 5<sup>th</sup> floor, Portland, Maine 04101 (hereinafter referred to as "**NECEC Transmission**", which word is intended to include, unless expressly stated otherwise, NECEC Transmission and its successors and assigns), desires to erect, construct, maintain, repair, rebuild, respace, replace, operate, patrol and remove a single overhead direct current electric line and a three-phase electric line over and across the CMP Land, consisting of (i) a 320kV line (the "SECTION 432 TRANSMISSION LINE") extending from the border of the Providence of Quebec in Beattie Township, Franklin County to NECEC Transmission's new Converter Site in Lewiston, Androscoggin County (hereinafter referred to as the "**CONVERTER SITE**"), and (ii) a 345kV line (the "SECTION 3007 TRANSMISSION LINE") extending southerly from said Converter Site to CMP's Larrabee Road Substation located in Lewiston, Androscoggin County, Maine, each line consisting of suitable and sufficient poles, cables, and towers with sufficient foundations together with lines extending upon, within and between the same for the transmission of electric energy and intelligence related thereto, together with any fixtures, anchors, guys, crossarms, and other equipment and appurtenances (as so consisting hereinafter referred to respectively as the "**SECTION 432 TRANSMISSION LINE**" and the "**SECTION 3007 TRANSMISSION LINE**", and together as the "**NECEC TRANSMISSION LINE**") The NECEC Transmission Line may be constructed as an underground line in certain areas. The NECEC Transmission Line will be located on or partly on a portion of the CMP Land, and;

**WHEREAS** at NECEC Transmission's option NECEC Transmission and CMP will enter into an unrecorded Use Agreement providing operational guidance to both Parties, as defined below, in connection with construction upon and ongoing maintenance and use of the easements and rights conveyed and reserved herein, a copy of which shall be kept on file at the offices of both CMP and NECEC Transmission (the "**USE AGREEMENT**").

**NOW THEREFORE**, CMP grants and assigns to NECEC Transmission the easements,

rights, privileges, and consents more particularly described in EXHIBIT A, attached hereto and made a part hereof.

**EXCEPTING AND RESERVING** to CMP, its successors and assigns, all rights and easements not conveyed hereunder, including without limitation the easements and rights more particularly described in EXHIBIT B attached hereto and made a part hereof.

This conveyance is made **SUBJECT TO** certain easements, licenses and agreements more particularly described in EXHIBIT C attached hereto and made a part hereof.

Also, this conveyance and the rights reserved hereunder are made **SUBJECT TO AND TOGETHER WITH** the covenants, terms and conditions set forth in EXHIBIT D, attached and made a part hereof.

CMP and NECEC Transmission shall hereinafter be referred, individually, as a "PARTY" and collectively, as the "PARTIES".

#### **SUCCESSORS AND ASSIGNEES**

NECEC Transmission may assign its interests in and rights under this Easement Deed, but such assignment shall be conditioned upon express assignment to any assignee of all of NECEC Transmission's obligations under this Easement Deed and the Use Agreement relating to the interests and rights assigned, and upon written acceptance and assumption of all such obligations by any such assignee. This Easement Deed and all the provisions hereof inure to the benefit of and are binding upon the Parties and the respective successors and permitted assignees of CMP and NECEC Transmission.

**IN WITNESS WHEREOF**, Central Maine Power Company has caused this instrument to be signed in its corporate name and sealed with its corporate seal by \_\_\_\_\_,  
\_\_\_\_\_, and \_\_\_\_\_,  
hereunto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

*(Signature pages follow)*

Witness:

CENTRAL MAINE POWER COMPANY

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

State of Maine

\_\_\_\_\_ County, Maine

\_\_\_\_\_, \_\_\_\_\_

Personally appeared the above-named \_\_\_\_\_, \_\_\_\_\_,  
Central Maine Power Company and acknowledged the foregoing instrument to be his free act in  
his said capacity and the free act and deed of said corporation.

Before me,

\_\_\_\_\_

Notary Public

My commission expires:

State of Maine

\_\_\_\_\_ County, Maine

\_\_\_\_\_, \_\_\_\_\_

Personally appeared the above-named \_\_\_\_\_, \_\_\_\_\_,  
Central Maine Power Company and acknowledged the foregoing instrument to be his free act in  
his said capacity and the free act and deed of said corporation.

Before me,

\_\_\_\_\_

Notary Public

My commission expires:

**GRANTEE'S ACCEPTANCE:**

NECEC Transmission LLC hereby covenants and agrees to the terms and obligations set forth in this Easement Deed and has caused this acceptance to be signed by \_\_\_\_\_, \_\_\_\_\_, hereunto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Witness:

NECEC TRANSMISSION LLC

\_\_\_\_\_

\_\_\_\_\_

State of Maine

\_\_\_\_\_ County, Maine

\_\_\_\_\_, \_\_\_\_\_

Personally appeared the above-named \_\_\_\_\_, \_\_\_\_\_, NECEC Transmission LLC, and acknowledged the foregoing to be his free act and deed in said capacity and the free act and deed of said company.

Before me,

\_\_\_\_\_

Notary Public

My commission expires:

**EXHIBIT A**

**EASEMENTS**

**EASEMENT ONE: SECTION 432 TRANSMISSION LINE EASEMENT**

The perpetual right, easement and consent to erect, construct, maintain, repair, rebuild, respace, replace, operate, patrol and remove the Section 432 Transmission Line for the transmission of electric energy and intelligence related thereto, as well as fiber optic cables and other telecommunication systems (all of the foregoing hereinafter collectively referred to as the "SECTION 432 TRANSMISSION LINE EASEMENT"), over, across and under portions of the CMP Land as follows:

Except as provided below, a 150 foot wide strip of land being 75 feet on either side of a centerline beginning at a point northerly, but not adjacent to Merrill Road in the City of Lewiston, Androscoggin County, Maine and extending northerly, northeasterly, northerly and westerly through the towns of Lewiston, Greene, Leeds and Livermore Falls, all in Androscoggin County, Maine; Jay, Chester, Wilton, Farmington and Industry, all in Franklin County, Maine; Starks, Anson, Embden, Concord, Moscow, Caratunk, Bald Mountain (T2R3 BKP EKR), The Forks Plantation, Moxie Gore (T1R5 BKP EKR), West Forks Plantation, Johnson Mountain (T2R6 BKP WKR), Parlin Pond (T3R7 BKP WKR), Bradstreet (T4R7 BKP WKR), Hobbstown (T4R6 BKP WKR), Raytown (T5R7 BKP WKR) and Appleton (T6R7 BKP WKR), all in Somerset County, Maine; and Skinner (T1R7 WBKP), Lowelltown (T1R8 WBKP) and Beattie (T2R8 WBKP), all in Franklin County, Maine, and terminating on the border between the State of Maine and the Province of Quebec in the aforementioned town of Beattie (T2R8 WBKP), the ("SECTION 432 TRANSMISSION LINE CENTERLINE"). The Section 432 Transmission Line Centerline description is attached hereto and made a part hereof as **SCHEDULE 2, SECTION 432 TRANSMISSION LINE CENTERLINE DESCRIPTION**. The areas where the Section 432 Transmission Line Easement will not be 150 feet wide are as follows:

**KENNEBEC RIVER CROSSING AREA** – The Kennebec River Crossing Area is that portion of the CMP Land located on the west and east sides of the Kennebec River in West Forks Plantation and Moxie Gore (T1R5 BKP EKR), Somerset County, Maine as shown on the plan titled "Central Maine Power Company, Kennebec River Crossing Area" dated \_\_\_\_\_ and recorded in the Somerset County Registry of Deeds in Plan Book \_\_\_\_\_ (the "KENNEBEC RIVER CROSSING AREA"). The limits of the Section 432 Transmission Line Easement in the Kennebec River Crossing Area are as shown on said plan.

Further, within the Section 432 Transmission Line Centerline, the following areas will be subject to Reservation Three – Substation Reservation as defined in Exhibit B, below:

**STARKS SUBSTATION AREA** – The Starks Substation Area is that portion of the CMP Land located westerly of Route 43 in the town of Starks, Somerset County, Maine as shown on the plan titled "Central Maine Power Company, Starks Substation Area" dated \_\_\_\_\_ and recorded in the Somerset County Registry of Deeds in Plan Book \_\_\_\_\_ (The "STARKS

SUBSTATION AREA”). The limits of the Section 432 Transmission Line Easement in the Starks Substation Area are as shown on said plan.

**STURTEVANT SUBSTATION AREA** – The Sturtevant Substation Area is that portion of the CMP Land located northerly of Route 2 in the town of Farmington, Franklin County, Maine as shown on the plan titled “Central Maine Power Company, Sturtevant Substation Area” dated \_\_\_\_\_ and recorded in the Franklin County Registry of Deeds in Plan Book \_\_\_\_\_ (The “STURTEVANT SUBSTATION AREA”). The limits of the Section 432 Transmission Line Easement in the Sturtevant Substation Area are as shown on said plan.

**MOOSE HILL ROAD SUBSTATION AREA** – The Moose Hill Road Substation Area is that portion of the CMP Land located southerly of Moose Hill Road in the town of Livermore Falls, Androscoggin County, Maine as shown on the plan titled “Central Maine Power Company, Moose Hill Road Substation Area” dated \_\_\_\_\_ and recorded in the Androscoggin County Registry of Deeds in Plan Book \_\_\_\_\_ (The “MOOSE HILL ROAD SUBSTATION AREA”). The limits of the Section 432 Transmission Line Easement in the Moose Hill Road Substation Area are as shown on said plan.

Said 150-foot-wide easement area and the easement areas within the Kennebec River Crossing Area, the Starks Substation Area, the Sturtevant Substation Area, and the Moose Hill Road Substation Area being hereinafter referred to as the "SECTION 432 TRANSMISSION LINE EASEMENT AREA."

NECEC Transmission covenants and agrees with CMP that other than the Section 432 Transmission Line, and all lines, poles and towers related thereto, NECEC Transmission will not erect or permit the erection of additional lines of poles or towers, together with lines extending upon, within and between the same, within the Section 432 Transmission Line Easement Area and that any replacements of the Section 432 Transmission Lines shall be on centerlines and in the locations as described above.

#### **EASEMENT TWO: SECTION 3007 TRANSMISSION LINE EASEMENT**

The perpetual right, easement and consent to erect, construct, maintain, repair, rebuild, respace, replace, operate, patrol and remove the Section 3007 Transmission Line for the transmission of electric energy and intelligence related thereto, as well as fiber optic cables and other telecommunication systems (all of the foregoing hereinafter collectively referred to as the "SECTION 3007 TRANSMISSION LINE EASEMENT"), on portions of the CMP Land located between the Orrington Substation and the Section 203 Transition Area and two parcels within said Section 203 Transition Area, all as follows:

Except as provided below, a 150-foot-wide strip of land being 75 feet on either side of a centerline beginning at a point on north of Merrill Road in Lewiston, Androscoggin County, Maine and extending southerly to a termination point at Larrabee Road Substation, also in said Lewiston (the “SECTION 3007 TRANSMISSION LINE CENTERLINE”). The description of the Section 3007 Transmission Line Centerline is shown on **SCHEDULE 3, SECTION 3007 TRANSMISSION LINE CENTERLINE DESCRIPTION**, attached hereto and made a part hereof. The areas where the

Section 3007 Transmission Line Easement will not be located as described above are as follows:

**LARRABEE ROAD SUBSTATION AREA** – The Larrabee Road Substation Area is that portion of the CMP Land located southerly of Merrill Road in the City of Lewiston, Androscoggin County, Maine as shown on the plan titled “Central Maine Power Company, Larrabee Road Substation Area” dated \_\_\_\_\_ and recorded in the Androscoggin County Registry of Deeds in Plan Book \_\_\_\_\_ (The “LARRABEE ROAD SUBSTATION AREA”). The limits of the Section 3007 Transmission Line Easement in the Larrabee Road Substation Area are as shown on said plan.

Said 150-foot-wide easement area and the easement areas within the Larrabee Road Substation Area being hereinafter referred to as the "SECTION 3007 TRANSMISSION LINE EASEMENT AREA."

NECEC Transmission covenants and agrees with CMP that other than the Section 3007 Transmission Line, and all lines, poles and towers related thereto, NECEC Transmission will not erect or permit the erection of additional lines of poles or towers, together with lines extending upon, within and between the same, within the Section 3007 Transmission Line Easement Area and that any replacements of the Section 3007 Transmission Line shall be on centerlines and in the locations as described above.

The Section 432 Transmission Line Easement and the Section 3007 Transmission Line Easement are referred to jointly as the "NECEC TRANSMISSION LINE EASEMENT", and the Section 432 Transmission Line Easement Area and the Section 3007 Transmission Line Easement Area are referred to jointly as the "NECEC TRANSMISSION LINE EASEMENT AREAS".

The NECEC Transmission Line Easement shall include the following rights with respect to the Section 432 Transmission Line and the Section 3007 Transmission Line:

1. The right to enter upon the NECEC Transmission Line Easement Areas at any time with workers and all necessary tools and machinery to dig holes, to erect, construct, reconstruct, replace, remove, maintain, operate, repair, rebuild, upgrade, and use poles, towers, foundations, guy wires, communication equipment, and apparatus used or useful for the transmission of electricity and intelligence, together with their strengthening supports, sufficient foundations and supports, all as NECEC Transmission, its successors and assignees, may from time to time reasonably require in connection with the operation and maintenance of its transmission lines;
2. The right to construct such roads within the NECEC Transmission Line Easement Areas as NECEC Transmission may from time to time reasonably require to provide access for such workers, tools or machinery;
3. The right to transmit electricity and intelligence over said wires, cables or apparatus at such lawful pressure and for such lawful purposes as NECEC Transmission may from time to time reasonably require;

4. The right to erect and maintain signage, gates, fences and other barriers as reasonably necessary to restrict recreational vehicles or other public access in the NECEC Transmission Line Easement Areas; and
5. The right to establish certain safety regulations for the NECEC Transmission Line Easement Areas that are necessary and proper for the operation of the rights herein granted and for the transmission of electricity (the "Safety Regulations"), which Safety Regulations shall be based upon the National Electric Safety Code, applicable Occupational Safety and Health Administration (OSHA) standards for worker safety and health, NECEC Transmission's company work standards and practices for safety and health, the standards governing operational reliability of the North American Energy Reliability Council (NERC), the Federal Energy Regulatory Commission (FERC) regulations and standards, the Independent System Operator -New England (ISO-NE) rules and standards, and/or any similar national, regional or state standards, and otherwise subject to normal and customary utility standards and practices.

#### **EASEMENT THREE: ACCESS EASEMENT**

The non-exclusive right and easement, in common with CMP and others; for access by foot and vehicle (hereinafter, the "ACCESS EASEMENT") along and across the CMP Land and such land as CMP may acquire in the future which adjoins the NECEC Transmission Line Easement Areas for the sole purpose of access to the NECEC Transmission Line Easement Areas.

Together with the non-exclusive right and easement, to the extent CMP may assign such rights, to use existing and future easements obtained over lands of others for the purpose of accessing CMP Land on which the NECEC Transmission Line Easement is located.

#### **EASEMENT FOUR: VEGETATION MANAGEMENT EASEMENT**

**NECEC TRANSMISSION LINE EASEMENT AREAS** - The perpetual right and easement, in common with CMP, but not the obligation, to clear and keep clear the NECEC Transmission Line Easement Areas of trees, brush and other vegetation by any lawful means. The exercise of such rights shall be at NECEC Transmission's sole cost unless otherwise agreed to in the Use Agreement.

**OTHER AREAS; DANGER TREES** - NECEC shall also have the right to enter upon CMP Land and to remove all woody vegetation located on CMP Land capable of growing into or falling into the minimum conductor safety zone around NECEC Transmission's transmission conductors. CMP intends this easement to allow for the removal of danger trees or hazard trees as defined herein that are within or outside the NECEC Transmission Line Easement Area. For the purposes of this easement, the following definitions apply: A "danger tree" is defined as a tree that if it failed could contact the conductors. A "hazard tree" means any tree that is structurally unsound that could strike a conductor upon failure; examples include dead trees, unsightly trees after pruning, unhealthy trees, trees with weakened crotches, trees leaning over or towards the wires, or species known to have a



high failure rate; and to exercise similar rights, in common with CMP, that CMP may have, including without limitation pursuant to the CMP Deeds, or may acquire with respect to lands of third parties.

#### **EASEMENT FIVE: GUYING RIGHTS**

The right to place, replace, relocate, repair or remove guys, guy anchors and cables in the CMP Land, or such land as CMP may acquire in the future, located within 35 feet of the limits of the NECEC Transmission Line Easement Area.

#### **NECEC'S RIGHT TO RELOCATE CMP'S TRANSMISSION LINES**

In the event that NECEC is involuntarily required to relocate any portion of the Section 432 Transmission Line Centerline or the Section 3007 Transmission Line Centerline, except in the Starks Substation Area, the Sturtevant Substation Area, the Moose Hill Road Substation Area and the Larrabee Road Substation Area and those crossing locations described in Schedule 4, as described in Exhibit B, below, to a point closer than 75 feet, as measured perpendicularly, from the centerline of any existing or future CMP transmission line (the "CMP Line", whether one or more transmission lines), NECEC Transmission shall have the right to require CMP to relocate from time to time any portion of the CMP Line that must be relocated to maintain said separations, provided that if NECEC Transmission makes any relocation of either the Section 432 Transmission Line or the Section 3007 Transmission Line, NECEC Transmission shall be required to maintain at least a 75-foot separation, measured perpendicularly, between the centerline of the relocated CMP Line and the centerline of the relocated Section 432 Transmission Line and/or the Section 3007 Transmission Line, with all costs related to such relocation (including, without limitation, any costs of any additional land or easement rights necessitated by such relocation, but expressly excluding any costs related to the interruption of transmission of electricity) to be paid at NECEC Transmission's sole cost and expense. Any such relocation may be required only after (a) at least 90 days prior written notice to CMP, which notice shall include detailed plans for CMP's review, and (b) any additional land or easement rights, permits or approvals necessitated by such relocation of either the Section 432 Transmission Line or the Section 3007 Transmission Line have been obtained by NECEC Transmission and delivered to CMP, to CMP's reasonable satisfaction. Any such relocation shall be undertaken by CMP only at such time as will minimize the disruption of CMP's use of the CMP Line. The relocation of the CMP Line, as proposed by NECEC Transmission hereunder, shall not materially impair the rights of CMP reserved herein and shall not materially impair the utility of the rights of CMP existing at the time of said relocation, as reasonably determined by CMP. Within the Starks Substation Area, the Sturtevant Substation Area, the Moose Hill Road Substation Area and the Larrabee Road Substation Area NECEC shall not have the right to relocate the CMP Line or CMP facilities. Within the locations listed in said Schedule 4, NECEC Transmission shall have the right to require CMP to relocate from time to time any portion of the CMP Line that must be relocated to maintain the then current separation standard between either the relocated Section 432 Transmission Line or the relocated Section 3007 Transmission Line and the CMP Line, with all costs related to such relocation (including, without limitation, any costs of any additional land or easement rights necessitated by such relocation, but expressly

excluding any costs related to the interruption of transmission of electricity) to be paid at NECEC Transmission's sole cost and expense. Any such relocation may be required only after (a) at least 90 days prior written notice to CMP, which notice shall include detailed plans for CMP's review, and (b) any additional land or easement rights, permits or approvals necessitated by such relocation of either the Section 432 Transmission Line or the Section 3007 Transmission Line have been obtained by NECEC Transmission and delivered to CMP, to CMP's reasonable satisfaction. Any such relocation shall be undertaken by CMP only at such time as will minimize the disruption of CMP's use of the CMP Line. The relocation of the CMP Line, as proposed by NECEC Transmission hereunder, shall not materially impair the rights of CMP reserved herein and shall not materially impair the utility of the rights of CMP existing at the time of said relocation, as reasonably determined by CMP.

**EXHIBIT B**

**CMP'S RESERVATIONS**

The following perpetual rights and easements:

**RESERVATION ONE (in the NECEC TRANSMISSION LINE EASEMENT AREAS)**

1. The right to erect, construct, maintain, repair, rebuild, respace, replace, operate, patrol and remove the CMP Line and other improvements, transmission and communication lines, apparatus and equipment as such currently exist or may exist in the future.
2. The right to use the NECEC Transmission Line Easement Areas for access by foot and vehicle to the CMP Line and to CMP Land and to grant third parties the right to travel upon, across and through the NECEC Transmission Line Easement Areas by foot and vehicle.
3. The right to use and maintain all currently existing roads and those that may be subsequently built, that run along and cross the NECEC Transmission Line Easement Areas; and
4. The right to cross the Section 432 Transmission Line and the Section 3007 Transmission Line with transmission, distribution and communication lines in those locations described in **SCHEDULE 4, EXISTING CMP LINE CROSSING LOCATIONS**, attached hereto and made a part hereof.
5. The right to cross the Section 432 Transmission Line and the Section 3007 Transmission Line with future transmission, distribution and communication lines provided such crossing does not unreasonably impair NECEC Transmission's use of the NECEC Transmission Line Easement Areas. Upon completion of such future crossing, CMP will record in the appropriate County Registry of Deeds an amended Schedule 4, Existing CMP Line Crossing Location describing the new crossing location.
6. The right to erect and maintain signage, gates, fences, and other barriers as are reasonably necessary to restrict recreational vehicles or other public access from, in or to CMP Land.
7. The right to use the NECEC Transmission Line Easement Areas for any purpose, or to grant easements or leases in favor of third persons for any other lawful purpose permitted under applicable laws, so long as any such uses, easements or leases do not unreasonably interfere with the exercise by NECEC Transmission of any of its rights granted pursuant to this Easement Deed and the Use Agreement. Any proposed easement or lease for all or any portion of the NECEC Transmission Line Easement Areas for electric use shall be subject to NECEC Transmission's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.
8. Any other rights currently of CMP or as may be acquired by CMP in the future, provided the exercise of such rights does not materially impair the rights granted to NECEC Transmission herein.

## **RESERVATION TWO**

The right to place, replace, relocate, repair or remove guys, guy anchors and cables in the NECEC Transmission Line Easement Areas, provided such placement does not unreasonably impair the use of the NECEC Transmission Line Easement Areas by NECEC Transmission.

## **RESERVATION THREE – SUBSTATION RESERVATION**

The right to operate, maintain, repair or replace the existing Moose Hill Road Substation, Sturtevant Substation, Starks Substation and Larrabee Road Substation (collectively, the “Reserved Substations”) to the extent the same are located within the NECEC Transmission Line Easement and shown on their respective plans.

## **RESERVATION FOUR – KENNEBEC RIVER CROSSING AREA**

The right to construct, operate, maintain, repair and replace transmission, distribution and/or communication lines within the Kennebec River Crossing Area provided such use does not materially impair the operation, maintenance, repair or replacement of the NECEC Transmission Line. Upon review and approval of CMP’s plans for such line or lines, said approval not to be unreasonably withheld or delayed, NECEC will enter into such agreements as necessary to facilitate the permitting of such new line or lines and will modify the easement area of the Kennebec River Crossing Area as necessary to accommodate the new line or lines.

## **RESERVATION FIVE**

Without limiting the generality of the foregoing, CMP specifically reserves the right to grant, assign, dispose of or otherwise convey, any of its remaining rights or interests in and to the CMP Land, subject to the terms and conditions of this Easement Deed and the Use Agreement, including without limitation all rights and property interests acquired pursuant to the CMP Deeds as set forth in Schedule 1 attached hereto and made a part hereof, and to receive all of the proceeds from the same; provided, however that the conveyance of any such rights or interests shall not unreasonably interfere with the exercise by NECEC of any of its rights granted pursuant to this Easement Deed and the Use Agreement, and provided further, to the extent applicable, that such conveyance shall be conditioned upon express assignment to any assignee of CMP's obligations under this Easement Deed and the Use Agreement relating to the interest and rights conveyed and upon written acceptance of all such obligations by any such assignee.

**EXHIBIT C**

**EASEMENTS, LICENSES AND AGREEMENTS TO WHICH THIS CONVEYANCE IS SUBJECT**

- (i) easements and other rights listed in SCHEDULE 5 – EASEMENTS, LICENSES AND AGREEMENTS, attached and made a part hereof;
- (ii) those agreements, permissions and rights, to the extent still in effect, listed in said Schedule 5;
- (iii) rights of the grantors or others reserved, excepted or created in the CMP Deeds.

**EXHIBIT D**

**COVENANTS, TERMS AND CONDITIONS**

The Parties hereby acknowledge, covenant and agree to the following terms and conditions:

1. **NECEC TRANSMISSION LINE EASEMENT AREAS** - CMP hereby covenants and agrees that, with the exception of the CMP Line and the Reserved Substations, it will not, without the prior written consent of NECEC Transmission, erect or permit the erection of any utility, road, gate, fence, barrier, or other structure of any kind or nature within the NECEC Transmission Line Easement Areas or place or permit the placement of any material on, or excavate, remove or permit the removal of any material from the NECEC Transmission Line Easement Areas that, in the reasonable opinion of NECEC Transmission, interferes with or materially impairs the operations of the NECEC Transmission Line. Upon receiving such prior written consent from NECEC Transmission, any such use by CMP or its successors and assignees shall be made in such manner as will not unreasonably interfere with or impair the operations of NECEC Transmission's installations or the exercise by NECEC Transmission of any of its rights under this Easement Deed.

CMP further agrees that it will provide NECEC Transmission reasonable advance notice, consistent with commonly accepted utility practice, with respect to the exercise of CMP's rights in the NECEC Transmission Line Easement Areas, and that such activities shall be made in such manner as will not unreasonably interfere with or impair the operations of NECEC Transmission's installations or the exercise by NECEC Transmission of any of its rights under this Easement Deed; provided however, such notice shall not be required for the exercise of CMP's rights pursuant to paragraphs 1, 2 and 3 of Reservation One of Exhibit B.

NECEC Transmission hereby covenants and agrees that it will not exercise any of its rights under this Easement Deed in that portion of the NECEC Transmission Line Easement Area that overlays the Reserved Substations in such manner as to unreasonably interfere with or impair the CMP's operation, maintenance, repair or replacement of the Reserved Substations.

Notwithstanding anything to the contrary set forth herein, nothing in this Easement Deed shall be deemed to waive or affect the notice provisions of any other agreements between the Parties in existence from time to time.

2. **COMPLIANCE WITH LAWS; PERMIT CONDITIONS** - Any use or activities performed by or on behalf of CMP on or over the NECEC Transmission Line Easement Areas shall be performed in accordance with the requirements of any federal, state, or local codes, rules or ordinances and commonly accepted utility practice (including, without limitation, safety regulations) and any NECEC Transmission Line permit condition; and to the extent any such use or activities necessitate alterations or improvements to a NECEC Transmission Line, as reasonably determined by NECEC Transmission, then CMP shall

be responsible for the cost of such alterations or improvements.

Any use or activities performed by or on behalf of NECEC Transmission on or over CMP Land shall be performed in accordance with the requirements of any federal, state, or local codes, rules or ordinances and commonly accepted utility practice (including, without limitation, safety regulations) and any NECEC Transmission Line permit condition; and to the extent any such use or activities necessitate alterations or improvements to a CMP Line, as reasonably determined by CMP, then NECEC Transmission shall be responsible for the cost of such alterations or improvements.

3. **DAMAGE TO PROPERTY, EQUIPMENT OR FACILITIES -**

(a) Except as provided in sub-paragraph 3(c) below, NECEC Transmission shall be responsible for all physical damage to or destruction of its equipment and facilities within the CMP Land except to the extent such physical damage or destruction is caused by the willful misconduct or gross negligence of CMP, its employees, agents, representatives or contractors. In the event of any damage to or destruction of NECEC Transmission's equipment or facilities that could reasonably be expected to have an adverse impact upon the CMP Line, NECEC Transmission shall promptly repair its equipment and facilities in a manner that will minimize any adverse impact upon the CMP Line and in accordance with good utility practice. If the damage or destruction of NECEC Transmission's equipment or facilities was caused by the willful misconduct or gross negligence of CMP or its employees, agents, representatives or contractors, CMP will promptly reimburse NECEC Transmission for the reasonable costs incurred by NECEC Transmission in effecting such repairs.

(b) Except as provided in sub-paragraph 3(c) below, CMP shall be responsible for all physical damage to or destruction of its equipment and facilities within the CMP Land except to the extent such physical damage or destruction is caused by the willful misconduct or gross negligence of NECEC Transmission, its employees, agents, representatives or contractors. In the event of any damage to or destruction of CMP's equipment or facilities that could reasonably be expected to have an adverse impact upon a NECEC Transmission Line, CMP shall promptly repair its equipment and facilities in a manner that will minimize any adverse impact upon the NECEC Transmission Line and in accordance with good utility practice. If the damage or destruction of CMP's equipment or facilities was caused by the willful misconduct or gross negligence of NECEC Transmission or its employees, agents, representatives or contractors, NECEC Transmission will promptly reimburse CMP for the reasonable costs incurred by CMP in effecting such repairs.

(c) During the construction of the NECEC Transmission Line and during any final decommissioning of the NECEC Transmission Line, NECEC Transmission shall be responsible for all physical damage to or destruction of CMP's equipment and facilities within the CMP Land caused by acts or negligence of NECEC

Transmission, its employees, agents, representatives or contractors.

(d) Nothing contained herein shall be deemed a release by either Party of any claim against a third party for any damage to or destruction of equipment or facilities within the CMP Land caused by such third party.

4. **INDEMNIFICATION** –

(a) From and after the date hereof, NECEC Transmission shall defend, save harmless, protect and indemnify CMP and its officers, directors, shareholders and affiliates from and against any and all losses, liabilities, damages, claims, suits, demands, actions, judgments, costs and expenses (including court costs and reasonable attorneys' fees) resulting from damage to any property or death or injury to any person that arise from, grow out of, or are attributable to any willful act or gross negligence of NECEC Transmission or its employees, agents, representatives or contractors.

(b) From and after the date hereof, CMP shall defend, save harmless, protect and indemnify NECEC Transmission and its officers, directors, shareholders and affiliates from and against any and all losses, liabilities, damages, claims, suits, demands, actions, judgments, costs and expenses (including court costs and reasonable attorneys' fees) resulting from damage to any property or death or injury to any person that arise from, grow out of, or are attributable to any willful act or gross negligence of CMP or its employees, agents, representatives or contractors.

(c) If a Party intends to seek indemnification under this Easement Deed from the other Party with respect to any claim or action, the Party seeking indemnification shall give the other Party written notice of such claim or action within fifteen (15) days after the receipt of written notice of the assertion or commencement of an action or the receipt of a written notice of claim. Such notice shall describe the claim in reasonable detail and shall indicate the amount (estimated if necessary) of the claim that has been or may be sustained by the Party seeking indemnification. To the extent the other Party shall be actually and materially prejudiced as a result of the failure of the Party seeking indemnification to provide such timely notice, such notice shall be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Easement Deed. Neither Party shall settle or compromise any claim which is the subject of this Easement Deed without the prior written consent of the other Party, provided that such consent shall not be unreasonably withheld or delayed.

(d) The indemnification obligations of a Party hereunder shall continue in full force and effect regardless of whether rights granted or reserved herein have been terminated and shall not be limited in any way by any limitation on insurance or by any compensation or benefits payable by the Parties under Worker's Compensation Acts, disability benefit acts or other similar employee protection



acts.

5. **ROADS** – To the extent each Party may legally do so, each Party may use the access roads of the other Party. Each Party will maintain roads on which both Parties have access to the extent of the using Party's use. Upon completing use, the using Party will leave the road in substantially the same or better condition as before use began. Neither Party will have any obligation to maintain any road not being used by that Party unless otherwise set forth in the Use Agreement.
6. **ACCESS** - Each Party will provide access to the other Party through any gates through which the other Party has access by means of duplicate keys or dual locks.
7. **STIPULATION OR PERMIT CONDITION** - In the event the NECEC Transmission Line Easement Areas, any other CMP Land that NECEC Transmission is required to clear to construct the Section 432 Transmission Line or the Section 3007 Transmission Line (collectively the “NECEC CLEARING AREAS”) is subjected to any stipulation or permit condition pertaining to vegetation management, including but not limited to stipulations and permit conditions of the Maine Department of Environmental Protection, NECEC Transmission agrees to reimburse CMP for any and all additional costs to CMP resulting from compliance with any such stipulation or condition as applicable to that portion of the NECEC Clearing Areas being maintained by CMP or as may be maintained by CMP in the future.
8. **TAXES, ASSESSMENTS AND OTHER CHARGES** - NECEC Transmission agrees to pay one hundred percent (100%) of any and all taxes, assessments and other impositions assessed or imposed on the NECEC Transmission Line Easement Areas, and the NECEC Transmission Line. If any such taxes are assessed to CMP, but are attributable to the NECEC Transmission Line Easement Areas or the NECEC Transmission Line, NECEC Transmission shall promptly reimburse CMP for the full amount of said tax upon evidence that the same has been paid by CMP, or CMP may require NECEC Transmission to pay such taxes directly and provide CMP with evidence of timely payment. NECEC Transmission shall have the right to employ and to exhaust all available remedies to contest the amount of, and the liability for, such taxes, assessments and other impositions, provided, however, that if a lien shall at any time be filed against CMP's interest in the CMP Land, because of such taxes, assessments or impositions, NECEC Transmission shall cause the same to be discharged of record by either payment, deposit or bond within thirty (30) days after receiving notice of such lien. In addition, if NECEC Transmission shall fail to timely pay any such taxes, assessments and other impositions, CMP may (but shall not be obligated to) make such payment on behalf of NECEC Transmission and such payment may be made prior to any notice or the expiration of any cure period in the event necessary to avoid any penalty, interest, late charge, lien or foreclosure. NECEC Transmission shall promptly reimburse CMP for any such payment made, as well as any costs and expenses incurred by CMP in connection therewith, together with interest through the date of reimbursement at the prime rate as listed in the Wall Street Journal. Notwithstanding anything to the contrary, in the event that NECEC Transmission no longer uses the NECEC Transmission Line Easement

Areas in the course of its business, and has removed the NECEC Transmission Line, then NECEC Transmission shall not be responsible for the payment of any taxes, assessments and other impositions assessed or imposed on the NECEC Transmission Line Easement Areas.

9. **REVERSION** - In the event that the NECEC Transmission Line, or any portion thereof, shall be decommissioned, the easements and rights hereby granted shall automatically terminate and revert to CMP with respect to the NECEC Transmission Line Easement Areas in which the NECEC Transmission Line has been decommissioned. Upon such decommissioning, NECEC Transmission agrees to execute and file such documents as may be necessary to effect a termination of its rights and interests in either or both NECEC Transmission Line Easement Areas, or any portion thereof, under this Easement Deed. Upon the decommissioning of all or any portion of the NECEC Transmission Line, NECEC Transmission shall promptly, and at its expense, remove all poles, wires (including underground wires) and termination stations from each such NECEC Transmission Line Easement Area, and restore the surface of the NECEC Transmission Line Easement Areas to the same condition, so far as may be practicable, as it was prior to the entry and use by NECEC Transmission. Notwithstanding the forgoing, NECEC Transmission shall give CMP reasonable advanced written notice of any plans to decommission all or any portions of the NECEC Transmission Line and CMP may elect to permit NECEC Transmission to abandon some or all of its poles, wires or terminations in place upon such decommissioning such that NECEC Transmission would have no obligation to remove those facilities that CMP permits to be abandoned. As a condition of such permission, CMP may require NECEC Transmission to deliver a bill of sale or other appropriate instrument to CMP releasing any interest in such abandoned facilities to CMP for no additional consideration.
10. **CONSEQUENTIAL AND INDIRECT DAMAGES**. - NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY NOR THEIR RESPECTIVE AFFILIATES, NOR ITS OR THEIR RESPECTIVE DIRECTORS, TRUSTEES, MEMBERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL BE LIABLE UNDER OR IN CONNECTION WITH THIS EASEMENT DEED FOR ANY PUNITIVE, SPECIAL, LOST PROFIT, EXEMPLARY, MULTIPLE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING IN CONNECTION WITH OR ARISING FROM ANY PERFORMANCE OR LACK OF PERFORMANCE UNDER THIS EASEMENT DEED, REGARDLESS OF WHETHER (X) ANY SUCH DAMAGES CLAIM IS BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, VIOLATION OF ANY APPLICABLE DECEPTIVE TRADE PRACTICES ACT OR ANY OTHER LEGAL OR EQUITABLE THEORY OR PRINCIPLE, OR (Y) SUCH DAMAGES WERE REASONABLY FORESEEABLE OR (Z) THE PARTIES WERE ADVISED OR AWARE THAT SUCH DAMAGES MIGHT BE INCURRED.

**SCHEDULE 1, CMP DEEDS**

| <b>Grantor<sup>1</sup></b>      | <b>Interest</b> | <b>Book/Page</b> | <b>Town(s)</b>        | <b>County</b> | <b>Date</b> |
|---------------------------------|-----------------|------------------|-----------------------|---------------|-------------|
| E.J. Carrier, Inc.              | Fee             | 3902/329         | Beattie Twp.          | Franklin      | 4/14/2017   |
| Weyerhaeuser Company            | Fee             | 3872/103         | Skinner Twp.          | Franklin      | 11/18/2016  |
| Longchamps and Sons, Inc.       | Fee             | 5098/174         | Raytown Twp.          | Somerset      | 11/15/16    |
| Weyerhaeuser Company            | Fee             | 5099/218         | Raytown Twp.          | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Easement        | 5099/203         | Raytown Twp.          | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Fee             | 5099/195         | Appleton Twp.         | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Fee             | 5099/189         | Hobbs town Twp.       | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Fee             | 5099/211         | Bradstreet Twp.       | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Fee             | 5099/224         | Parlin Pond Twp.      | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Fee             | 5099/230         | Johnson Mt. Twp.      | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Easement        | 5099/237         | Johnson Mt. Twp.      | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Fee             | 5099/255         | West Forks Plt.       | Somerset      | 11/18/2016  |
| Weyerhaeuser Company            | Easement        | 5099/247         | West Forks Plt.       | Somerset      | 11/18/2016  |
| S.D. Warren Company             | Fee             | 1416/127         | West Forks Plt.       | Somerset      | 3/14/1988   |
| T-M Corporation                 | Fee             | 1506/288         | West Forks Plt.       | Somerset      | 3/22/1989   |
|                                 | Fee             | 434/89           | West Forks Plt.       | Somerset      | 7/31/1935   |
| Bessemer Securities Corporation | Fee             | 536/131          | West Forks Plt.       | Somerset      | 5/15/1951   |
| Realty Operations Corporation   | Fee             | 536/135          | West Forks Plt.       | Somerset      | 5/14/1951   |
|                                 | Fee             | 536/138          | West Forks Plt.       | Somerset      | 5/18/1951   |
|                                 | Fee             | 536/141          | West Forks Plt.       | Somerset      | 5/16/1951   |
| T-M Corporation                 | Fee             | 1480/89          | Moxie Gore            | Somerset      | 11/10/1988  |
| Hollingsworth & Whitney         | Fee             | 561/166          | Bald Mountain/ Moscow | Somerset      | 10/11/1954  |
| Great Northern Paper            | Fee             | 554/474          | The                   | Somerset      | 10/30/1953  |

<sup>1</sup> Names of individual grantors have been redacted from this form easement.

| <b>Grantor<sup>1</sup></b> | <b>Interest</b> | <b>Book/Page</b> | <b>Town(s)</b>     | <b>County</b> | <b>Date</b> |
|----------------------------|-----------------|------------------|--------------------|---------------|-------------|
|                            |                 |                  | Forks/Caratunk     |               |             |
| USA                        | Fee             | 4507/184         | Moscow             | Somerset      | 11/20/1953  |
| Bingham Land Company       | Fee             | 1289/120         | Moscow             | Somerset      | 8/15/1986   |
| S.D. Warren Company        | Fee             | 1295/309         | Moscow             | Somerset      | 8/28/1986   |
|                            | Fee             | 554/466          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 554/477          | Moscow             | Somerset      | 11/5/1953   |
|                            | Fee             | 554/468          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 554/469          | Moscow             | Somerset      | 10/29/1953  |
|                            | Fee             | 557/295          | Moscow             | Somerset      | 1/4/1954    |
|                            | Fee             | 554/471          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 554/473          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 554/517          | Moscow             | Somerset      | 11/18/1953  |
| S.D. Warren Company        | Fee             | 558/50           | Moscow             | Somerset      | 2/13/1954   |
|                            | Fee             | 546/280          | Moscow             | Somerset      | 10/24/1953  |
|                            | Fee             | 554/478          | Moscow             | Somerset      | 11/10/1953  |
|                            | Fee             | 554/472          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 554/470          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 554/467          | Moscow             | Somerset      | 10/28/1953  |
|                            | Fee             | 546/292          | Moscow             | Somerset      | 10/27/1953  |
|                            | Fee             | 401/83           | Moscow             | Somerset      | 3/2/1929    |
| FPL Energy Maine Hydro LLC | Easement        | 2540/40          | Moscow/<br>Concord | Somerset      | 4/8/1999    |
|                            | Fee             | 619/359          | Concord            | Somerset      | 10/21/1960  |
|                            | Fee             | 619/192          | Concord            | Somerset      | 4/2/1960    |
|                            | Fee             | 398/458          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/452          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/453          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/454          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/455          | Concord            | Somerset      | 2/14/2029   |
|                            | Fee             | 398/521          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/443          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/442          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/444          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/445          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/446          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 401/296          | Concord            | Somerset      | 2/14/1929   |
|                            | Fee             | 398/463          | Concord            | Somerset      | 2/18/1929   |
|                            | Fee             | 398/447          | Concord            | Somerset      | 2/16/1929   |
|                            | Fee             | 398/448          | Concord            | Somerset      | 2/13/1929   |
|                            | Fee             | 398/449          | Concord            | Somerset      | 2/12/1929   |
|                            | Fee             | 411/170          | Concord            | Somerset      | 11/4/1930   |
|                            | Fee             | 398/457          | Concord            | Somerset      | 2/14/1929   |

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|                              | Fee             | 398/451          | Concord            | Somerset      | 2/15/1929   |
|                              | Fee             | 401/306          | Embden;<br>Concord | Somerset      | 2/25/1929   |
|                              | Fee             | 398/510          | Embden             | Somerset      | 3/1/1929    |
|                              | Fee             | 398/501          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 398/499          | Embden             | Somerset      | 2/26/1929   |
|                              | Fee             | 398/524          | Embden             | Somerset      | 3/9/1929    |
|                              | Fee             | 398/500          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 401/305          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 398/489          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 398/488          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 398/497          | Embden             | Somerset      | 2/26/2029   |
|                              | Fee             | 398/526          | Embden             | Somerset      | 3/8/1929    |
|                              | Fee             | 398/492          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 398/490          | Embden             | Somerset      | 2/26/1929   |
|                              | Fee             | 404/34           | Embden             | Somerset      | 3/9/1929    |
|                              | Fee             | 400/77           | Embden             | Somerset      | 4/22/1929   |
|                              | Fee             | 398/491          | Embden             | Somerset      | 2/25/1929   |
|                              | Fee             | 398/496          | Embden             | Somerset      | 2/28/1929   |
|                              | Fee             | 398/495          | Embden             | Somerset      | 2/26/1929   |
| Pine Tree Timberland Company | Fee             | 401/307          | Embden             | Somerset      | 2/23/1929   |
|                              | Fee             | 398/498          | Embden             | Somerset      | 2/26/1929   |
|                              | Fee             | 398/565          | Embden             | Somerset      | 3/12/1929   |
| Pine Tree Timberland Company | Fee             | 398/493          | Embden             | Somerset      | 2/23/1929   |
|                              | Fee             | 398/494          | Embden             | Somerset      | 2/26/1929   |
|                              | Fee             | 398/565          | Embden             | Somerset      | 3/12/1929   |
|                              | Fee             | 404/13           | Embden             | Somerset      | 4/13/1929   |
|                              | Fee             | 398/536          | Embden             | Somerset      | 2/28/1929   |
|                              | Fee             | 398/535          | Embden             | Somerset      | 3/14/1929   |
|                              | Fee             | 398/522          | Embden             | Somerset      | 3/8/1929    |
|                              | Fee             | 398/517          | Embden             | Somerset      | 3/5/1929    |
|                              | Fee             | 401/314          | Embden             | Somerset      | 3/2/1929    |
|                              | Fee             | 401/313          | Embden             | Somerset      | 3/2/1929    |
|                              | Fee             | 401/370          | Embden; Anson      | Somerset      | 3/16/1929   |
|                              | Fee             | 398/515          | Embden             | Somerset      | 3/5/1929    |
|                              | Fee             | 398/512          | Embden             | Somerset      | 3/5/1929    |
|                              | Fee             | 398/519          | Embden             | Somerset      | 3/5/1929    |
|                              | Fee             | 398/514          | Embden             | Somerset      | 3/6/1929    |
|                              | Fee             | 398/511          | Anson              | Somerset      | 3/5/1929    |
|                              | Fee             | 398/518          | Anson              | Somerset      | 3/5/1929    |
|                              | Fee             | 398/513          | Anson              | Somerset      | 3/5/1929    |

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|                              | Fee             | 398/516          | Anson          | Somerset      | 3/4/1929    |
|                              | Fee             | 398/523          | Anson          | Somerset      | 3/5/1929    |
|                              | Fee             | 398/580          | Anson          | Somerset      | 3/20/1929   |
|                              | Fee             | 398/509          | Anson          | Somerset      | 3/5/1929    |
|                              | Fee             | 398/520          | Anson          | Somerset      | 3/4/1929    |
| Great Northern Paper Company | Fee             | 401/529          | Anson          | Somerset      | 4/25/1929   |
|                              | Fee             | 398/547          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 398/566          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 398/564          | Anson          | Somerset      | 3/19/1929   |
|                              | Fee             | 401/349          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 401/348          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 398/545          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 398/554          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 398/555          | Anson          | Somerset      | 3/12/1929   |
|                              | Fee             | 401/390          | Anson          | Somerset      | 3/26/1929   |
|                              | Fee             | 398/548          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 398/456          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 398/549          | Anson          | Somerset      | 3/14/1929   |
|                              | Fee             | 413/111          | Anson          | Somerset      | 4/24/1931   |
|                              | Fee             | 398/551          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 398/552          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 401/347          | Anson          | Somerset      | 3/14/1929   |
|                              | Fee             | 398/553          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 401/352          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 401/350          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 401/351          | Anson          | Somerset      | 3/14/1929   |
|                              | Fee             | 398/557          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 398/556          | Anson          | Somerset      | 3/14/1929   |
|                              | Fee             | 398/558          | Anson          | Somerset      | 3/15/1929   |
|                              | Fee             | 401/346          | Anson          | Somerset      | 3/18/1929   |
|                              | Fee             | 398/542          | Anson          | Somerset      | 3/16/1929   |
|                              | Fee             | 398/543          | Anson          | Somerset      | 3/14/1929   |
|                              | Fee             | 398/544          | Anson          | Somerset      | 3/13/1929   |
|                              | Fee             | 398/550          | Anson          | Somerset      | 3/15/1929   |
|                              | Fee             | 407/162          | Anson          | Somerset      | 8/23/1930   |
|                              | Fee             | 407/163          | Starks         | Somerset      | 8/23/1930   |
|                              | Fee             | 407/164          | Starks         | Somerset      | 8/23/1930   |
|                              | Fee             | 407/326          | Starks         | Somerset      | 8/30/1930   |
|                              | Fee             | 407/165          | Starks         | Somerset      | 8/23/1930   |
|                              | Fee             | 407/290          | Starks         | Somerset      | 8/23/1930   |
|                              | Fee             | 407/166          | Starks         | Somerset      | 8/23/1930   |
|                              | Fee             | 407/167          | Starks         | Somerset      | 8/23/1930   |

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|                             | Fee             | 408/243          | Starks           | Somerset      | 8/23/1930   |
|                             | Fee             | 407/168          | Starks           | Somerset      | 8/26/1930   |
|                             | Fee             | 408/244          | Starks           | Somerset      | 8/27/1930   |
|                             | Fee             | 408/245          | Starks           | Somerset      | 8/26/1930   |
|                             | Fee             | 408/246          | Starks           | Somerset      | 8/26/1930   |
|                             | Fee             | 407/169          | Starks           | Somerset      | 8/30/1930   |
|                             | Fee             | 407/170          | Starks           | Somerset      | 8/30/1930   |
|                             | Fee             | 407/171          | Starks           | Somerset      | 8/30/1930   |
|                             | Fee             | 408/464          | Starks           | Somerset      | 9/5/1930    |
|                             | Fee             | 408/247          | Starks           | Somerset      | 9/5/1930    |
|                             | Fee             | 408/248          | Starks           | Somerset      | 9/6/1930    |
|                             | Fee             | 408/249          | Starks           | Somerset      | 9/6/1930    |
|                             | Fee             | 411/230          | Starks           | Somerset      | 12/29/1930  |
|                             | Fee             | 407/172          | Starks           | Somerset      | 9/6/1930    |
|                             | Fee             | 407/173          | Starks           | Somerset      | 9/6/1930    |
|                             | Fee             | 408/250          | Starks           | Somerset      | 9/9/1930    |
|                             | Fee             | 407/174          | Starks           | Somerset      | 9/9/1930    |
|                             | Fee             | 407/175          | Starks           | Somerset      | 9/9/1930    |
|                             | Fee             | 407/176          | Starks           | Somerset      | 9/9/1930    |
| Pinetree Timberland Company | Fee             | 407/186          | Starks           | Somerset      | 9/9/1930    |
|                             | Fee             | 407/189          | Starks; Industry | Somerset      | 9/12/1930   |
|                             | Fee             | 407/190          | Starks           | Somerset      | 9/12/1930   |
|                             | Fee             | 245/171          | Industry         | Franklin      | 9/13/1930   |
|                             | Fee             | 241/589          | Industry         | Franklin      | 9/13/1930   |
|                             | Fee             | 245/106          | Industry         | Franklin      | 9/30/1930   |
|                             | Fee             | 245/109          | Industry         | Franklin      | 9/13/1930   |
|                             | Fee             | 241/589          | Industry         | Franklin      | 9/13/1930   |
|                             | Fee             | 245/108          | Industry         | Franklin      | 9/13/1930   |
|                             | Fee             | 245/168          | Industry         | Franklin      | 9/16/1930   |
|                             | Fee             | 244/57           | Industry         | Franklin      | 9/1/1930    |
|                             | Fee             | 245/107          | Industry         | Franklin      | 9/17/1930   |
|                             | Fee             | 245/105          | Industry         | Franklin      | 9/16/1930   |
|                             | Fee             | 245/104          | Industry         | Franklin      | 9/16/1930   |
|                             | Fee             | 241/588          | Industry         | Franklin      | 9/16/1930   |
|                             | Fee             | 245/173          | New Sharon       | Franklin      | 10/4/1930   |
|                             | Fee             | 247/103          | Industry         | Franklin      | 9/20/1930   |
|                             | Fee             | 245/174          | New Sharon       | Franklin      | 9/20/1930   |
|                             | Fee             | 245/172          | New Sharon       | Franklin      | 9/20/1930   |
|                             | Fee             | 245/169          | New Sharon       | Franklin      | 9/20/1930   |
|                             | Fee             | 245/170          | New Sharon       | Franklin      | 9/20/1930   |
|                             | Fee             | 245/63           | New Sharon       | Franklin      | 9/23/1930   |
|                             | Fee             | 245/64           | New Sharon       | Franklin      | 9/24/1930   |

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|                            | Fee             | 245/66           | Farmington               | Franklin      | 9/25/1930   |
|                            | Fee             | 245/65           | Farmington               | Franklin      | 9/24/1930   |
|                            | Fee             | 245/62           | Farmington               | Franklin      | 9/25/1930   |
|                            | Fee             | 241/591          | Farmington               | Franklin      | 9/25/1930   |
|                            | Fee             | 241/587          | Farmington               | Franklin      | 10/7/1930   |
|                            | Fee             | 245/111          | Farmington               | Franklin      | 10/1/1930   |
|                            | Fee             | 241/561          | Farmington               | Franklin      | 9/25/1930   |
|                            | Fee             | 241/585          | Farmington               | Franklin      | 9/25/1930   |
|                            | Fee             | 241/559          | Farmington               | Franklin      | 9/26/1930   |
|                            | Fee             | 241/556          | Farmington               | Franklin      | 9/26/1930   |
|                            | Fee             | 241/583          | Farmington               | Franklin      | 10/7/1930   |
|                            | Fee             | 245/67           | Farmington               | Franklin      | 9/26/1930   |
|                            | Fee             | 245/161          | Farmington               | Franklin      | 8/29/1930   |
|                            | Fee             | 245/159          | Farmington               | Franklin      | 8/28/1930   |
|                            | Fee             | 247/74           | Farmington               | Franklin      | 8/28/1930   |
|                            | Fee             | 247/70           | Farmington               | Franklin      | 8/28/1930   |
|                            | Fee             | 245/158          | Farmington               | Franklin      | 8/28/1930   |
|                            | Fee             | 247/73           | Farmington               | Franklin      | 8/28/1930   |
|                            | Fee             | 247/71           | Farmington               | Franklin      | 8/30/1930   |
|                            | Fee             | 245/156          | Farmington               | Franklin      | 8/28/1930   |
|                            | Fee             | 245/157          | Farmington               | Franklin      | 8/27/1930   |
|                            | Fee             | 245/143          | Farmington               | Franklin      | 9/6/1930    |
|                            | Fee             | 245/155          | Farmington               | Franklin      | 9/5/1930    |
|                            | Fee             | 245/144          | Farmington               | Franklin      | 9/5/1930    |
|                            | Fee             | 247/29           | Farmington               | Franklin      | 9/6/1930    |
|                            | Fee             | 247/26           | Farmington               | Franklin      | 9/6/1930    |
|                            | Fee             | 247/28           | Farmington               | Franklin      | 9/5/1930    |
|                            | Fee             | 247/32           | Farmington               | Franklin      | 9/5/1930    |
|                            | Fee             | 245/175          | Wilton                   | Franklin      | 11/1/1930   |
|                            | Fee             | 241/581          | Wilton                   | Franklin      | 9/10/1930   |
|                            | Fee             | 245/141          | Wilton                   | Franklin      | 9/6/1930    |
|                            | Fee             | 247/190          | Wilton &<br>Chesterville | Franklin      | 9/20/1930   |
|                            | Fee             | 245/114          | Jay                      | Franklin      | 9/11/1930   |
|                            | Fee             | 247/192          | Jay                      | Franklin      | 9/9/1930    |
|                            | Fee             | 245/140          | Jay                      | Franklin      | 9/6/1930    |
|                            | Fee             | 245/110          | Jay                      | Franklin      | 9/6/1930    |
|                            | Fee             | 245/112          | Jay                      | Franklin      | 9/10/1930   |
|                            | Fee             | 241/596          | Jay                      | Franklin      | 9/10/1930   |
|                            | Fee             | 241/595          | Jay                      | Franklin      | 9/11/1930   |
|                            | Fee             | 241/593          | Jay                      | Franklin      | 9/10/1930   |
|                            | Fee             | 241/584          | Jay                      | Franklin      | 9/10/1930   |
|                            | Fee             | 241/113          | Jay                      | Franklin      | 9/9/1930    |



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|                            | Fee             | 247/31           | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 241/539          | Jay             | Franklin      | 9/9/1930    |
|                            | Fee             | 245/36           | Jay             | Franklin      | 9/9/1930    |
|                            | Fee             | 245/34           | Jay             | Franklin      | 9/5/1930    |
|                            | Fee             | 241/541          | Jay             | Franklin      | 9/9/1930    |
|                            | Fee             | 245/35           | Jay             | Franklin      | 9/5/1930    |
|                            | Fee             | 241/558          | Jay             | Franklin      | 9/22/1930   |
|                            | Fee             | 245/40           | Jay             | Franklin      | 9/5/1930    |
|                            | Fee             | 241/546          | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 245/38           | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 241/542          | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 241/545          | Jay             | Franklin      | 9/12/1930   |
|                            | Fee             | 245/33           | Jay             | Franklin      | 9/12/1930   |
|                            | Fee             | 241/544          | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 245/37           | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 245/39           | Jay             | Franklin      | 9/11/1930   |
|                            | Fee             | 245/142          | Jay             | Franklin      | 10/20/1930  |
|                            | Fee             | 8024/190         | Livermore Falls | Androscoggin  | 9/24/2010   |
|                            | Fee             | 408/243          | Livermore Falls | Androscoggin  | 9/17/1930   |
|                            | Fee             | 408/233          | Livermore Falls | Androscoggin  | 10/3/1930   |
|                            | Fee             | 408/239          | Livermore Falls | Androscoggin  | 9/18/1930   |
|                            | Fee             | 408/236          | Livermore Falls | Androscoggin  | 9/18/1930   |
|                            | Fee             | 408/237          | Livermore Falls | Androscoggin  | 9/18/1930   |
|                            | Fee             | 408/241          | Livermore Falls | Androscoggin  | 9/18/1930   |
|                            | Fee             | 408/215          | Livermore Falls | Androscoggin  | 11/4/1930   |
|                            | Fee             | 408/279          | Livermore Falls | Androscoggin  | 9/25/1930   |
|                            | Fee             | 408/242          | Livermore Falls | Androscoggin  | 9/19/1930   |
|                            | Fee             | 408/234          | Livermore Falls | Androscoggin  | 9/18/1930   |
|                            | Fee             | 407/368          | Livermore Falls | Androscoggin  | 10/9/1930   |
|                            | Fee             | 408/156          | Livermore Falls | Androscoggin  | 10/10/1930  |
|                            | Fee             | 408/271          | Leeds           | Androscoggin  | 11/12/1930  |
|                            | Fee             | 408/244          | Leeds           | Androscoggin  | 10/20/1930  |
|                            | Fee             | 408/230          | Leeds           | Androscoggin  | 10/20/1930  |
|                            | Fee             | 408/196          | Leeds           | Androscoggin  | 10/31/1930  |
|                            | Fee             | 407/407          | Leeds           | Androscoggin  | 10/28/1930  |
|                            | Fee             | 408/158          | Leeds           | Androscoggin  | 10/21/1930  |
|                            | Fee             | 407/362          | Leeds           | Androscoggin  | 10/20/1930  |
|                            | Fee             | 407/364          | Leeds           | Androscoggin  | 10/21/1930  |
|                            | Fee             | 408/154          | Leeds           | Androscoggin  | 10/22/1930  |
|                            | Fee             | 408/149          | Leeds           | Androscoggin  | 10/18/1930  |
|                            | Fee             | 407/360          | Leeds           | Androscoggin  | 10/18/1930  |
|                            | Fee             | 408/231          | Leeds           | Androscoggin  | 10/28/1930  |
|                            | Fee             | 408/153          | Leeds           | Androscoggin  | 10/17/1930  |

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|                            | Fee             | 408/157          | Leeds          | Androscoggin  | 10/17/1930  |
|                            | Fee             | 408/155          | Leeds          | Androscoggin  | 10/17/1930  |
|                            | Fee             | 408/147          | Leeds          | Androscoggin  | 10/17/1930  |
|                            | Fee             | 407/416          | Leeds          | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/270          | Leeds          | Androscoggin  | 10/18/1930  |
|                            | Fee             | 408/199          | Leeds          | Androscoggin  | 10/25/1930  |
|                            | Fee             | 408/151          | Leeds          | Androscoggin  | 10/17/1930  |
|                            | Fee             | 408/224          | Leeds          | Androscoggin  | 10/17/1930  |
|                            | Fee             | 408/238          | Leeds          | Androscoggin  | 10/28/1930  |
|                            | Fee             | 408/380          | Leeds          | Androscoggin  | 10/21/1930  |
|                            | Fee             | 408/195          | Leeds          | Androscoggin  | 10/21/1930  |
|                            | Fee             | 407/524          | Leeds          | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/214          | Leeds & Greene | Androscoggin  | 10/21/1930  |
|                            | Fee             | 407/560          | Greene         | Androscoggin  | 12/8/1930   |
|                            | Fee             | 408/203          | Greene         | Androscoggin  | 10/22/1930  |
|                            | Fee             | 408/208          | Greene         | Androscoggin  | 10/21/1930  |
|                            | Fee             | 408/209          | Greene         | Androscoggin  | 10/22/1930  |
|                            | Fee             | 408/218          | Greene         | Androscoggin  | 10/22/1930  |
|                            | Fee             | 408/216          | Greene         | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/275          | Greene         | Androscoggin  | 10/24/1930  |
|                            | Fee             | 408/200          | Greene         | Androscoggin  | 10/24/1930  |
|                            | Fee             | 408/202          | Greene         | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/206          | Greene         | Androscoggin  | 10/17/1930  |
|                            | Fee             | 408/205          | Greene         | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/211          | Greene         | Androscoggin  | 10/24/1930  |
|                            | Fee             | 408/199          | Greene         | Androscoggin  | 10/24/1930  |
|                            | Fee             | 408/197          | Greene         | Androscoggin  | 10/24/1930  |
|                            | Fee             | 408/212          | Greene         | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/207          | Greene         | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/379          | Greene         | Androscoggin  | 11/8/1930   |
|                            | Fee             | 407/403          | Greene         | Androscoggin  | 10/24/1930  |
|                            | Fee             | 408/201          | Greene         | Androscoggin  | 10/23/1930  |
|                            | Fee             | 408/194          | Greene         | Androscoggin  | 10/28/1930  |
|                            | Fee             | 408/268          | Greene         | Androscoggin  | 11/4/1930   |
|                            | Fee             | 407/439          | Greene         | Androscoggin  | 11/5/1930   |
|                            | Fee             | 408/274          | Greene         | Androscoggin  | 11/6/1930   |
|                            | Fee             | 511/402          | Greene         | Androscoggin  | 7/23/1940   |
|                            | Fee             | 408/267          | Greene         | Androscoggin  | 11/5/1930   |
|                            | Fee             | 511/403          | Greene         | Androscoggin  | 7/2/1940    |
|                            | Fee             | 407/439          | Greene         | Androscoggin  | 11/5/1930   |
|                            | Fee             | 408/269          | Greene         | Androscoggin  | 11/5/1930   |
|                            | Fee             | 408/266          | Greene         | Androscoggin  | 11/8/1930   |
|                            | Fee             | 408/376          | Greene         | Androscoggin  | 11/7/1930   |

| <b>Grantor<sup>1</sup></b> | <b>Interest</b> | <b>Book/Page</b> | <b>Town(s)</b> | <b>County</b> | <b>Date</b> |
|----------------------------|-----------------|------------------|----------------|---------------|-------------|
|                            | Fee             | 407/439          | Greene         | Androscoggin  | 11/5/1930   |
|                            | Fee             | 408/280          | Greene         | Androscoggin  | 11/5/1930   |
|                            | Fee             | 408/273          | Greene         | Androscoggin  | 11/7/1930   |
|                            | Fee             | 408/272          | Lewiston       | Androscoggin  | 11/7/1930   |
|                            | Fee             | 407/526          | Lewiston       | Androscoggin  | 11/14/1930  |
|                            | Fee             | 408/420          | Lewiston       | Androscoggin  | 1/5/1931    |
|                            | Fee             | 408/478          | Lewiston       | Androscoggin  | 1/9/1931    |
|                            | Fee             | 7969/262         | Lewiston       | Androscoggin  | 7/2/2010    |
|                            | Fee             | 8236/64          | Lewiston       | Androscoggin  | 9/9/2011    |
|                            | Fee             | 7973/221         | Lewiston       | Androscoggin  | 7/8/2010    |
|                            | Fee             | 8012/263         | Lewiston       | Androscoggin  | 9/13/2010   |
|                            | Fee             | 954/268          | Lewiston       | Androscoggin  | 1/28/1966   |
|                            | Fee             | 956/515          | Lewiston       | Androscoggin  | 4/6/1966    |

Notes:

Central Securities Corporation (CESC) conveyed to Central Maine Power Company by the following deeds: Androscoggin County Registry of Deeds Book 450 Page 417, Book 450 Page 425 and Cumberland County Registry of Deeds Book 1480 Page 402

Central Securities Corporation (CESC) conveyed to Central Maine Power Company by the following deed: Androscoggin County Registry of Deeds Book 407 Page 663

Central Securities Corporation (CESC) conveyed to Central Maine Power Company by the following deeds: Somerset County Registry of Deeds Book 434 Page 79 and Franklin County Registry of Deeds Book 259 Page 64

**SCHEDULE 2, SECTION 432 TRANSMISSION LINE CENTERLINE DESCRIPTION**

*[To be revised and updated prior to the execution of the Easement Deed, including in order to reflect changes needed to conform to the NECEC Transmission Line detail engineering design.]*

The Section 432 Transmission Line Centerline is more particularly described as follows:

Being so much of the CMP Land within 75 feet of either side of a centerline and the extensions thereof, so as to form a corridor of straight tangents without curves or radii, beginning at a point on the easterly side of land of NECEC Transmission described in a deed from CMP dated \_\_\_\_\_ and recorded in the Androscoggin County Registry of Deeds in Book \_\_\_\_\_, Page \_\_\_\_\_, said point being S 66°53'40" E a distance of 225 feet, more or less, from a proposed Structure 2 with coordinates of N 16043543.310, E 1330262.826; thence N 66°53'40" W a distance of 225 feet more or less to said Structure 2; thence by and along the centerline set forth in the following table to a point in said Beattie Township near the border between the Province of Quebec and the State of Maine at Structure 804;

| <b><u>Structure</u></b> | <b><u>Structure<br/>Coordinate<br/>Northing</u></b> | <b><u>Structure<br/>Coordinate<br/>Easting</u></b> | <b><u>Ahead<br/>Distance<br/>(Feet)</u></b> | <b><u>Ahead Bearing</u></b> |
|-------------------------|---|--|---|-----------------------------|
| 2                       | 16043543.310  | 1330262.826  | 3,519.6                                     | N 23°49'10" E               |
| 6                       | 16046763.130  | 1331684.244  | 1,612.8                                     | N 28°38'11" E               |
| 8                       | 16048178.680  | 1332457.198  | 15,109.7                                    | N 05°30'25" E               |
| 23                      | 16063218.650  | 1333907.243  | 717.4                                       | N 11°41'24" E               |
| 24                      | 16063921.190  | 1334052.605  | 4,261.9                                     | N 05°27'45" E               |
| 32                      | 16068163.760  | 1334458.319  | 1,135.8                                     | N 01°58'49" E               |
| 34                      | 16069298.920  | 1334497.566  | 17,107.0                                    | N 05°18'37" E               |
| 50                      | 16085197.290  | 1336041.576  | 13,384.8                                    | N 01°22'40" W               |
| 64                      | 16098578.230  | 1335719.742  | 12,161.7                                    | N 01°18'21" W               |
| 76                      | 16110736.780  | 1335442.594  | 10,138.7                                    | N 31°54'04" E               |
| 86                      | 16119344.130  | 1340800.453  | 18,053.6                                    | N 01°15'04" W               |
| 106                     | 16137393.380  | 1340406.248  | 3,373.8                                     | N 14°14'58" W               |
| 109                     | 16140663.340  | 1339575.819  | 18,782.9                                    | N 13°58'34" W               |
| 129                     | 16158890.240  | 1335039.432  | 1,650.0                                     | N 22°24'16" W               |
| 131                     | 16160415.690  | 1334410.550  | 499.4                                       | N 08°16'33" E               |
| 132                     | 16160909.930  | 1334482.440  | 5,802.1                                     | N 14°01'42" W               |
| 138                     | 16166538.980  | 1333076.000  | 27,861.0                                    | N 13°48'08" E               |
| 167                     | 16193595.500  | 1339722.868  | 1,240.0                                     | N 13°42'22" E               |
| 169                     | 16194800.200  | 1340016.679  | 18,482.2                                    | N 13°14'15" E               |
| 189                     | 16212791.290  | 1344248.898  | 7,382.8                                     | N 04°11'35" E               |
| 197                     | 16220154.290  | 1344788.716  | 4,110.2                                     | N 25°58'58" E               |

Moose Hill Rd  
SS

| <u>Structure</u> | <u>Structure<br/>Coordinate<br/>Northing</u> | <u>Structure<br/>Coordinate<br/>Easting</u> | <u>Ahead<br/>Distance<br/>(Feet)</u> | <u>Ahead Bearing</u> |
|------------------|--|---|--------------------------------------|----------------------|
| 201              | 16223849.030                                 | 1346589.376                                 | 773.1                                | N 25°58'57" E        |
| 202              | 16224544.010                                 | 1346928.076                                 | 902.9                                | N 25°58'58" E        |
| 203              | 16225355.620                                 | 1347323.623                                 | 5,227.3                              | N 25°54'57" E        |
| 208              | 16230057.270                                 | 1349608.231                                 | 15,185.5                             | N 49°26'37" E        |
| 224              | 16239930.830                                 | 1361145.703                                 | 30,437.6                             | N 49°13'34" E        |
| Structure        | Structure<br>Coordinate<br>Northing          | Structure<br>Coordinate<br>Easting          | Ahead<br>Distance<br>(Feet)          | Ahead Bearing        |
| 255              | 16259808.870                                 | 1384195.886                                 | 1,547.1                              | N 55°23'51" E        |
| 257              | 16260687.440                                 | 1385469.322                                 | 19,287.6                             | N 62°41'23" E        |
| 277              | 16269536.790                                 | 1402607.021                                 | 1,244.2                              | N 62°41'22" E        |
| 279              | 16270107.630                                 | 1403712.510                                 | 636.3                                | N 62°41'23" E        |
| 280              | 16270399.560                                 | 1404277.868                                 | 26,315.1                             | N 14°14'48" E        |
| 306              | 16295905.390                                 | 1410753.956                                 | 723.3                                | N 14°35'30" E        |
| 307              | 16296605.340                                 | 1410936.171                                 | 14,729.7                             | N 01°46'13" W        |
| 322              | 16311327.960                                 | 1410481.140                                 | 5,340.5                              | N 01°23'52" E        |
| 328              | 16316666.880                                 | 1410611.424                                 | 2,948.9                              | N 01°30'17" E        |
| 331              | 16319614.720                                 | 1410688.863                                 | 8,081.1                              | N 01°37'46" E        |
| 339              | 16327692.550                                 | 1410918.665                                 | 9,463.9                              | N 01°47'56" E        |
| 348              | 16337151.770                                 | 1411215.762                                 | 6,551.7                              | N 01°57'56" E        |
| 355              | 16343699.570                                 | 1411440.463                                 | 4,497.4                              | N 02°07'01" E        |
| 360              | 16348193.930                                 | 1411606.586                                 | 8,691.9                              | N 02°15'23" E        |
| 368              | 16356879.050                                 | 1411948.814                                 | 2,618.5                              | N 02°28'18" E        |
| 371              | 16359495.090                                 | 1412061.734                                 | 6,491.9                              | N 02°33'13" E        |
| 378              | 16365980.500                                 | 1412350.973                                 | 7,077.0                              | N 43°33'31" W        |
| 385              | 16371109.010                                 | 1407474.242                                 | 1,008.1                              | N 08°52'26" E        |
| 386              | 16372105.050                                 | 1407629.755                                 | 884.4                                | N 08°52'26" E        |
| 387              | 16372978.900                                 | 1407766.190                                 | 1,219.0                              | N 08°52'26" E        |
| 388              | 16374183.300                                 | 1407954.233                                 | 295.1                                | N 08°52'27" E        |
| 389              | 16374474.890                                 | 1407999.760                                 | 277.6                                | N 08°52'26" E        |
| 390              | 16374749.170                                 | 1408042.583                                 | 742.5                                | N 37°29'45" W        |
| 391              | 16375338.230                                 | 1407590.649                                 | 511.0                                | N 04°18'58" W        |
| 392              | 16375847.830                                 | 1407552.188                                 | 1,019.2                              | N 60°43'45" E        |
| 393              | 16376346.160                                 | 1408441.260                                 | 2,149.6                              | N 60°43'44" E        |
| 395              | 16377397.190                                 | 1410316.378                                 | 17,178.0                             | N 27°47'44" E        |
| 412              | 16392593.130                                 | 1418326.762                                 | 6,187.7                              | N 39°01'52" E        |
| 419              | 16397399.780                                 | 1422223.425                                 | 2,951.1                              | N 18°00'06" W        |
| 422              | 16400206.420                                 | 1421311.408                                 | 4,502.4                              | N 72°22'58" E        |
| 426              | 16401569.090                                 | 1425602.608                                 | 4,379.4                              | N 38°55'14" E        |

Sturtevant SS

Starks SS

| <u>Structure</u> | <u>Structure<br/>Coordinate<br/>Northing</u> | <u>Structure<br/>Coordinate<br/>Easting</u> | <u>Ahead<br/>Distance<br/>(Feet)</u> | <u>Ahead Bearing</u> |
|------------------|--|---|--------------------------------------|----------------------|
| 430              | 16404976.350                                 | 1428353.936                                 | 13,911.0                             | N 09°26'45" E        |
| 444              | 16418698.750                                 | 1430636.954                                 | 4,208.8                              | N 14°41'04" E        |
| 448              | 16422770.050                                 | 1431703.858                                 | 2,135.5                              | N 06°04'37" E        |
| 450              | 16424893.590                                 | 1431929.934                                 | 12,510.5                             | N 13°56'29" W        |
| 462              | 16437035.520                                 | 1428915.785                                 | 6,009.9                              | N 29°39'57" W        |
| 469              | 16442257.700                                 | 1425941.220                                 | 15,994.6                             | N 03°26'49" W        |
| 487              | 16458223.370                                 | 1424979.551                                 | 5,635.5                              | N 19°04'56" W        |
| Structure        | Structure<br>Coordinate<br>Northing          | Structure<br>Coordinate<br>Easting          | Ahead<br>Distance<br>(Feet)          | Ahead Bearing        |
| 494              | 16463549.180                                 | 1423137.165                                 | 8,548.2                              | N 36°23'38" W        |
| 506              | 16470430.130                                 | 1418065.244                                 | 7,587.4                              | N 28°22'19" W        |
| 516              | 16477106.140                                 | 1414459.745                                 | 605.1                                | N 32°43'59" W        |
| 517              | 16477615.130                                 | 1414132.565                                 | 1,500.7                              | N 28 46'15" W        |
| 519              | 16478930.530                                 | 1413410.293                                 | 7,595.7                              | N 77°50'24" W        |
| 527              | 16480530.520                                 | 1405985.030                                 | 3,045.3                              | N 14°51'35" W        |
| 530              | 16483473.940                                 | 1405204.058                                 | 2,346.1                              | N 61°34'46" W        |
| 533              | 16484590.540                                 | 1403140.710                                 | 3,086.7                              | N 85°14'32" W        |
| MGTS             | 16484846.560                                 | 1400064.611                                 |                                      |                      |
| WFPTS            | 16486721.030                                 | 1397031.043                                 | 8,486.5                              | N 00°34'15" W        |
| 544              | 16495207.110                                 | 1396946.481                                 | 5,980.2                              | N 49°15'33" W        |
| 550              | 16499110.020                                 | 1392415.475                                 | 1,582.3                              | N 67°14'54" W        |
| 552              | 16499721.970                                 | 1390956.267                                 | 1,540.5                              | N 30°45'53" W        |
| 554              | 16501045.720                                 | 1390168.260                                 | 3,340.6                              | N 49°15'33" W        |
| 558              | 16503225.900                                 | 1387637.220                                 | 8,765.8                              | N 17°05'29" W        |
| 567              | 16511604.540                                 | 1385060.998                                 | 9,624.0                              | S 80°20'17" W        |
| 577              | 16509989.320                                 | 1375573.505                                 | 2,885.2                              | S 47°22'21" W        |
| 580              | 16508035.390                                 | 1373450.676                                 | 943.1                                | N 49°11'21" W        |
| 581              | 16508651.770                                 | 1372736.866                                 | 738.6                                | N 66°23'30" W        |
| 582              | 16508947.580                                 | 1372060.050                                 | 14,595.9                             | S 74°05'31" W        |
| 597              | 16504946.880                                 | 1358023.101                                 | 13,477.9                             | N 14°20'49" W        |
| 610              | 16518004.400                                 | 1354683.398                                 | 8,783.8                              | N 33°14'31" E        |
| 619              | 16525350.860                                 | 1359498.468                                 | 10,022.3                             | N 38°56'00" W        |
| 629              | 16533146.950                                 | 1353200.300                                 | 4,171.6                              | N 59°12'04" W        |
| 633              | 16535282.930                                 | 1349617.011                                 | 1,012.1                              | S 77°50'47" W        |
| 634              | 16535069.860                                 | 1348627.638                                 | 5,749.7                              | N 65°29'20" W        |
| 640              | 16537455.230                                 | 1343396.140                                 | 10,496.6                             | S 66°49'16" W        |
| 651              | 16533323.740                                 | 1333746.798                                 | 10,813.4                             | S 74°09'12" W        |

Termination  
Stations

| <u>Structure</u> | <u>Structure<br/>Coordinate<br/>Northing</u> | <u>Structure<br/>Coordinate<br/>Easting</u> | <u>Ahead<br/>Distance<br/>(Feet)</u> | <u>Ahead Bearing</u> |
|------------------|--|---|--------------------------------------|----------------------|
| 662              | 16530370.970                                 | 1323344.363                                 | 7,987.3                              | N 77°40'31" W        |
| 670              | 16532075.870                                 | 1315541.158                                 | 5,478.3                              | S 51°14'45" W        |
| 675              | 16528646.590                                 | 1311268.994                                 | 1,858.6                              | S 20°22'44" W        |
| 677              | 16526904.280                                 | 1310621.762                                 | 12,347.4                             | S 72°05'56" W        |
| 690              | 16523108.990                                 | 1298872.099                                 | 1,205.2                              | N 76°51'37" W        |
| 692              | 16523382.970                                 | 1297698.429                                 | 9,694.2                              | S 79°29'20" W        |
| 703              | 16521614.490                                 | 1288166.859                                 | 6,280.6                              | N 89°35'37" W        |
| 710              | 16521659.050                                 | 1281886.419                                 | 1,740.9                              | S 44°53'18" W        |
| 712              | 16520425.670                                 | 1280657.839                                 | 3,863.2                              | S 79°08'56" W        |
| Structure        | Structure<br>Coordinate<br>Northing          | Structure<br>Coordinate<br>Easting          | Ahead<br>Distance<br>(Feet)          | Ahead Bearing        |
| 717              | 16519698.390                                 | 1276863.726                                 | 6,164.7                              | N 72°02'17" W        |
| 724              | 16521599.490                                 | 1270999.526                                 | 14,019.4                             | S 88°12'07" W        |
| 738              | 16521159.630                                 | 1256986.989                                 | 2,261.8                              | S 71°34'35" W        |
| 740              | 16520444.810                                 | 1254841.121                                 | 4,366.4                              | N 83°16'29" W        |
| 744              | 16520956.160                                 | 1250504.799                                 | 8,335.9                              | S 88°12'07" W        |
| 752              | 16520694.600                                 | 1242172.995                                 | 11,044.7                             | N 80°42'51" W        |
| 763              | 16522476.770                                 | 1231273.001                                 | 7,718.3                              | N 24°05'23" W        |
| 771              | 16529522.850                                 | 1228122.648                                 | 5,310.7                              | N 77°44'28" W        |
| 776              | 16530650.470                                 | 1222933.007                                 | 3,262.5                              | N 08°51'41" W        |
| 780              | 16533874.040                                 | 1222430.428                                 | 4,058.2                              | S 77°48'23" W        |
| 784              | 16533016.880                                 | 1218463.744                                 | 6,449.3                              | N 77°03'01" W        |
| 790              | 16534462.140                                 | 1212178.483                                 | 14,227.0                             | N 63°12'53" W        |
| 804              | 16540873.530                                 | 1199477.973                                 |                                      |                      |

Thence continuing on the bearing of N 63°12'53" W a distance of 64.5 feet, more or less to the border between the Province of Quebec, Canada and the State of Maine. All coordinates and bearings are State Plane Coordinates, NAD 83, Zone 19 North.

**SCHEDULE 3, SECTION 3007 TRANSMISSION LINE CENTERLINE DESCRIPTION**

*[To be revised and updated prior to the execution of the Easement Deed, including in order to reflect changes needed to conform to the NECEC Transmission Line detail engineering design.]*

The Section 3007 Transmission Line Centerline is more particularly described as follows:

Being so much of the CMP Land within 75 feet of either side of a centerline and the extensions thereof, so as to form a corridor of straight tangents without curves or radii, beginning at a point on the easterly side of land of NECEC Transmission described in a deed from CMP dated \_\_\_\_\_ and recorded in the Androscoggin County Registry of Deeds in Book \_\_\_\_\_, Page \_\_\_\_\_, said point being S 66°14'19" E a distance of 225 feet, more or less, from a proposed Structure 1 with coordinates of N 16043235.950, E 1330037.713; thence N 66°14'19" W a distance of 225 feet more or less to said Structure 1; thence by and along the centerline set forth in the following table to a point in CMP's Larrabee Road Substation located easterly of Larrabee Road in the City of Lewiston, Androscoggin County, Maine;

| <b><u>Structure</u></b> | <b><u>Structure<br/>Coordinate<br/>Northing</u></b> | <b><u>Structure<br/>Coordinate<br/>Easting</u></b> | <b><u>Ahead<br/>Distance<br/>(Feet)</u></b> | <b><u>Ahead Bearing</u></b> |
|-------------------------|---|--|---|-----------------------------|
| Merrill Road            | 16043098.860  | 1330349.107  | 340.2                                       | N 66°14'19" W               |
| 1                       | 16043235.950  | 1330037.713  | 4093.7                                      | S 23°57'42" W               |
| 8                       | 16039495.070  | 1328375.147  | 414.7                                       | S 27°14'26" E               |
| 9                       | 16039126.370  | 1328564.964  | 672.7                                       | S 32°07'35" E               |
| 10                      | 16038556.690  | 1328922.690  | 205.5                                       | S 04°05'32" E               |
| 11                      | 16038351.680  | 1328937.357  | 311.8                                       | S 40°20'43" W               |
| 12                      | 16038114.040  | 1328735.500  | 558.7                                       | S 09°30'00" E               |
| Larrabee Road           | 16037562.960  | 1328827.719  |   |                             |

All bearings and coordinates are State Plane Coordinates, NAD 83, Zone 19 North.



**SCHEDULE 4 – EXISTING CMP LINE CROSSING LOCATIONS**

*[To be updated prior to execution of the Easement Deed.]*

For the Section 3007 Transmission Line, the CMP Line crossings listed on the following table:

| <b><u>Section</u></b>    | <b><u>Town</u></b> | <b><u>Coordinates of approximate crossing point</u></b> |                       |
|--------------------------|--------------------|---|-----------------------|
|                          |                    | <b><u>Northing</u></b>                                  | <b><u>Easting</u></b> |
| Section 251              | City of Lewiston   | 16043036.211  | 1330215.898           |
| Section 200              | City of Lewiston   | 16043077.845  | 1330128.102           |
| Section 298 (ADSS fiber) | City of Lewiston   | 16041013.409  | 1329039.782           |
| Section 268              | City of Lewiston   | 16039685.325  | 1328447.066           |
| Section 76               | City of Lewiston   | 16039848.908  | 1328513.765           |
| Section 61               | City of Lewiston   | 16038552.057  | 1328927.873           |
| Section 255              | City of Lewiston   | 16038440.542  | 1328933.253           |

For the Section 432 Transmission Line, the CMP Line crossings listed on the following table:

| <b><u>Section</u></b>      | <b><u>Town</u></b> | <b><u>Coordinates of approximate crossing point</u></b> |                       |
|----------------------------|--------------------|---|-----------------------|
|                            |                    | <b><u>Northing</u></b>                                  | <b><u>Easting</u></b> |
| Section 251                | City of Lewiston   | 16043503.993  | 1330422.394           |
| Section 200                | City of Lewiston   | 16043543.593  | 1330333.024           |
| Leeds Substation Tap South | Leeds              | 16108439.261  | 1335488.568           |
| Leeds Substation Tap North | Leeds              | 16108492.181  | 1335490.668           |
| Section 200A               | Livermore Falls    | 16143080.829  | 1338975.773           |
| Section 89                 | Livermore Falls    | 16160846.938  | 1334467.472           |
| Section 243A               | Jay                | 16166060.389  | 1333203.168           |
| Nestle Line                | Farmington         | 16227734.700  | 1348468.686           |
| T-2 Line                   | Farmington         | 16227754.089  | 1348478.365           |
| Section 44                 | Anson              | 16294707.238  | 1410445.392           |
| Section 63                 | Moscow             | 16374264.554  | 1407963.403           |
| Section 83                 | Moscow             | 16374353.268  | 1407981.153           |
| Section 264                | Moscow             | 16374563.471  | 1408008.515           |
| Section 66                 | Moscow             | 16374664.390  | 1408026.756           |
| Section 222 (Wyman)        | Moscow             | 16375799.199  | 1407561.697           |
| Section 222 (MAFB South)   | Moscow             | 16397362.847  | 1422169.965           |
| Section 222 (MAFB North)   | Moscow             | 16401708.090  | 1425690.306           |
| Section 222A               | Moscow             | 16408778.464  | 1428982.301           |
| Jackman Tie Line           | West Forks Plt.    | 16507605.497  | 1386302.052           |

Coordinates are State Plane, NAD 83, Zone 19 North

Also reserving to CMP, its successors and assigns, all distribution lines currently located within the Section 3007 Transmission Line and Section 432 Transmission Line Easement Areas, including but not limited to, the lines listed on the following table. A distribution line, for the purpose of this reservation, is an electric line with a voltage of 34,500 volts or less.

Distribution line crossings:

| <u>Section</u> | <u>Road name</u>           | <u>Town</u>      | <u>County</u> |
|----------------|----------------------------|------------------|---------------|
| 3007           | Merrill Rd                 | City of Lewiston | Androscoggin  |
| 432            | Route 202/11               | Greene           | Androscoggin  |
|                | Dagget Hill Rd & driveway  | Greene           | Androscoggin  |
|                | Meadow Hill Rd             | Greene           | Androscoggin  |
|                | Packard Rd & driveway      | Greene           | Androscoggin  |
|                | Allen Pond Campground Rd   | Greene           | Androscoggin  |
|                | Rose Rd                    | Greene           | Androscoggin  |
|                | Allen Pond Rd & driveway   | Greene           | Androscoggin  |
|                | Linda Rd                   | Greene           | Androscoggin  |
|                | N Line Rd                  | Greene/Leeds     | Androscoggin  |
|                | Church Hill Rd             | Leeds            | Androscoggin  |
|                | River Rd                   | Leeds            | Androscoggin  |
|                | Fish Rd                    | Leeds            | Androscoggin  |
|                | Route 219                  | Leeds            | Androscoggin  |
|                | Campbell Rd                | Leeds            | Androscoggin  |
|                | Knapp Rd                   | Leeds            | Androscoggin  |
|                | Strickland Loop Rd (south) | Livermore Falls  | Androscoggin  |
|                | Strickland Loop Rd (north) | Livermore Falls  | Androscoggin  |
|                | River Rd                   | Livermore Falls  | Androscoggin  |
|                | Lyman Lane                 | Livermore Falls  | Androscoggin  |
|                | Androscoggin Bluff         | Livermore Falls  | Androscoggin  |
|                | Bear Brook Rd              | Livermore Falls  | Androscoggin  |
|                | Hillman Ferry Rd           | Livermore Falls  | Androscoggin  |
|                | Route 133                  | Livermore Falls  | Androscoggin  |
|                | Pomeroy Rd                 | Livermore Falls  | Androscoggin  |
|                | Fayette Rd (Rt 17)         | Livermore Falls  | Androscoggin  |
|                | Moose Hill Rd              | Livermore Falls  | Androscoggin  |
|                | Turmel Rd                  | Livermore Falls  | Androscoggin  |
|                | Claybrook Rd               | Jay              | Franklin      |
|                | East Jay Rd                | Jay              | Franklin      |
|                | Belanger Rd                | Jay              | Franklin      |
|                | Plaisted Rd                | Jay              | Franklin      |
|                | Soules Hill Rd             | Jay              | Franklin      |
|                | Route 156                  | Chesterville     | Franklin      |
|                | Mc Grillis Corner Rd       | Wilton           | Franklin      |
|                | Webster Rd                 | Farmington       | Franklin      |
|                | Knowlton Corner Rd         | Farmington       | Franklin      |
|                | Whittier Rd                | Farmington       | Franklin      |
|                | Route 2                    | Farmington       | Franklin      |
| 432            | Davis Rd                   | Farmington       | Franklin      |
|                | Bailey Hill Rd             | Farmington       | Franklin      |
|                | Osborne Rd                 | Farmington       | Franklin      |

| <b><u>Section</u></b> | <b><u>Road name</u></b>     | <b><u>Town</u></b> | <b><u>County</u></b> |
|-----------------------|-----------------------------|--------------------|----------------------|
|                       | Perham Hill -Weeks Mill     | Farmington         | Franklin             |
|                       | Hardy Lane                  | Farmington         | Franklin             |
|                       | Clearwater Rd               | New Sharon         | Franklin             |
|                       | Goodrich-Odell Rd           | New Sharon         | Franklin             |
|                       | Bailey Rd                   | Industry           | Franklin             |
|                       | Route 43                    | Industry           | Franklin             |
|                       | Sawyers Mill Rd             | Starks             | Somerset             |
|                       | Mayhew Rd                   | Starks             | Somerset             |
|                       | Redneck Rd                  | Starks             | Somerset             |
|                       | Starks Rd (Rt 43)           | Starks             | Somerset             |
|                       | Starks Rd (Rt 43 - Main St) | Anson              | Somerset             |
|                       | Lloyd Rd & driveway         | Anson              | Somerset             |
|                       | Brookerville Rd             | Anson              | Somerset             |
|                       | Campground Rd               | Anson              | Somerset             |
|                       | River Rd (Rt 8)             | Anson              | Somerset             |
|                       | Madison St                  | Anson              | Somerset             |
|                       | Solon Rd (Rt 8 & 201A)      | Anson              | Somerset             |
|                       | Across Town Rd              | Embden             | Somerset             |
|                       | Bert Berry Rd               | Embden             | Somerset             |
|                       | Jackson Pond Rd             | Concord            | Somerset             |
|                       | Fletcher Mountain Rd        | Concord            | Somerset             |
|                       | Pleasant Ridge Rd           | Concord            | Somerset             |
|                       | Route 201                   | Moscow             | Somerset             |
|                       | Donigan Rd                  | Moscow             | Somerset             |
|                       | Burns Rd                    | Moscow             | Somerset             |
|                       | Henry Beaudoin Rd           | Moscow             | Somerset             |
|                       | Lake Moxie Rd               | The Forks          | Somerset             |
|                       | Route 201                   | Johnson Mountain   | Somerset             |

Schedule 5  
Existing Easements, Licenses and Agreements on CMP Land

*[To be updated prior to execution of the Easement Deed.]*

(i) Easements

| <u>Town</u>       | <u>County</u> | <u>Section</u> | <u>Grantee</u> <sup>2</sup>           | <u>Date</u> | <u>Book/Page</u>  |
|-------------------|---------------|----------------|---------------------------------------|-------------|-------------------|
| Bald Mt./Caratunk | Somerset      | 222            | United States of America              | 2/18/1987   | 1324/19           |
| Moxie Gore        | Somerset      | 222            |                                       | 2/10/1998   | 2395/193          |
| Moxie Gore        | Somerset      | 222            |                                       | 9/7/2000    | 2718/196          |
| The Forks         | Somerset      | 222            | Milton & CMP                          | 12/5/1960   | 753/21            |
| The Forks         | Somerset      | 222            | New England Telephone & Telegraph Co. | 10/7/1994   | 2051/175          |
| The Forks         | Somerset      | 222            | Great Northern Paper                  | 10/30/1953  | 554/474           |
| Moscow            | Somerset      | 222            | United States of America              | 9/17/1987   | 1375/308          |
| Moscow            | Somerset      | 222            | United States of America              | 9/17/1987   | 1375/306          |
| Moscow            | Somerset      | 222            | Bingham Land Company                  | 12/21/1953  | 554/518           |
| Moscow            | Somerset      | 222            |                                       | 9/9/1986    | 1291/258          |
| Moscow            | Somerset      | 222            |                                       | 2/12/2007   | 3815/255          |
| Moscow            | Somerset      | 222            |                                       | 5/4/1995    | 2095/112          |
| Moscow            | Somerset      | 63             | FPL Energy                            | 4/5/1999    | 2540/140          |
| Embden            | Somerset      | 63             |                                       | 9/4/1997    | 2347/58           |
| Embden            | Somerset      | 63             |                                       | 11/15/1947  | 592/452           |
| Embden            | Somerset      | 63             |                                       | 4/23/1958   | 596/102           |
| Anson             | Somerset      | 63             |                                       | 7/22/1988   | 1453/167          |
| Industry          | Franklin      | 63             |                                       | 5/5/2015    | 3728/332          |
| Farmington        | Franklin      | 278            |                                       | 6/1/2006    | 2766/149          |
| Farmington        | Franklin      | 278            |                                       | 8/28/1930   | 247/7             |
| Jay               | Franklin      | 278            |                                       | 6/3/1992    | 1293/317          |
| Livermore Falls   | Androscoggin  | 200            |                                       | 9/27/2010   | 8028/103          |
| Livermore Falls   | Androscoggin  | 200            |                                       | 9/27/2010   | 8024/196          |
| Livermore Falls   | Androscoggin  | 200            | Livermore Falls Cemetery Assoc.       | 5/29/2018   | 9856/53           |
| Livermore Falls   | Androscoggin  | 200            |                                       | 9/27/2010   | 7958/29           |
| Livermore Falls   | Androscoggin  | 200            | Androscoggin Bluffs                   | 2/16/1978   | 1322/54           |
| Leeds             | Androscoggin  | 200            |                                       | 1/24/1957   | 408/204 – 408/151 |
| Leeds             | Androscoggin  | 200            |                                       | 8/1/1957    | 408/238           |

<sup>2</sup> Names of individual grantees have been redacted from this form easement.

| <u>Town</u> | <u>County</u> | <u>Section</u> | <u>Grantee<sup>2</sup></u>            | <u>Date</u> | <u>Book/Page</u> |
|-------------|---------------|----------------|---------------------------------------|-------------|------------------|
| Leeds       | Androscoggin  | 200            |                                       | 8/31/1970   | 1022/691         |
| Leeds       | Androscoggin  | 200            |                                       | 2/24/1993   | 2997/230         |
| Leeds       | Androscoggin  | 200            |                                       | 8/8/1984    | 1752/305         |
| Greene      | Androscoggin  | 200            |                                       | 9/10/1980   | 408/211          |
| Greene      | Androscoggin  | 200            |                                       | 11/26/2007  | 7348/118         |
| Greene      | Androscoggin  | 200            |                                       | 2/27/1984   | 1715/46          |
| Greene      | Androscoggin  | 200            |                                       | 4/24/1984   | 1718/195         |
| Greene      | Androscoggin  | 200            |                                       | 5/31/2004   | 5960/295         |
| Greene      | Androscoggin  | 200            |                                       | 9/27/2006   | 6934/292         |
| Greene      | Androscoggin  | 200            |                                       | 4/28/2011   | 10727/269        |
| Greene      | Androscoggin  | 200            |                                       | 5/16/2012   | 8478/272         |
| Greene      | Androscoggin  | 200            |                                       | 6/22/2006   | 6855/101         |
| Greene      | Androscoggin  | 200            |                                       | 2/9/2010    | 8013/314         |
| Lewiston    | Androscoggin  | 200            | Society of Dominican Fathers Cemetery | 4/16/1964   | 935/463          |
| Lewiston    | Androscoggin  | 200            |                                       | 5/7/1994    | 3330/338         |

(ii) those agreements, permissions and rights, to the extent still in effect, listed below:

| <u>Instrument</u> | <u>Town</u> | <u>Section</u> | <u>Landowner<sup>3</sup></u>          | <u>Date</u> | <u>Notes</u>                      |
|-------------------|-------------|----------------|---------------------------------------|-------------|-----------------------------------|
| License           | The Forks   | 222            | Lake Moxie ATV Riders                 | 6/25/2007   | Recreational Trail                |
| Permission        | Concord     | 63             |                                       | 7/2/1997    | Agricultural use, yard and garden |
| Permission        | Concord     | 63             |                                       | 6/30/1997   | Yard and garden                   |
| Permission        | Concord     | 63             |                                       | 7/2/1997    | Yard and garden                   |
| Permission        | Concord     | 63             |                                       | 8/15/1994   | Road / driveway                   |
| License           | Concord     | 63             |                                       | 11/17/1992  | Water line                        |
| Agreement         | Embden      | 63             |                                       | 10/5/2005   | Fill & edge of building           |
| License           | Embden      | 63             | Moose Alley ATV & Abanaki Snow Riders | 12/7/2007   | Recreational trail                |
| Permission        | Embden      | 63             |                                       | 1/17/1961   | Agricultural use                  |
| Agreement         | Anson       | 63             |                                       | 11/16/1983  | Agricultural use                  |
| Agreement         | Anson       | 63             |                                       | 4/9/1987    | Farm road                         |
| Agreement         | Anson       | 63             |                                       | 6/5/1986    | Recreational fields               |
| Permission        | Anson       | 63             |                                       | 11/1/1978   | Driveway                          |
| Permission        | Anson       | 63             | MSAD# 74                              | 6/19/1970   | Recreational field & park area    |
| Agreement         | Starks      | 63             |                                       | 1/29/1982   | Driveway                          |
| Consent           | Starks      | 63             | Madison Electric Works                | 9/3/1998    | Distribution line                 |
| Permission        | Starks      | 63             |                                       | 9/16/1999   | Road / driveway                   |
| Permission        | Starks      | 63             |                                       | 9/7/1978    | Drainage way                      |

<sup>3</sup> Names of individual landowners have been redacted from this form easement.

|            |                          |     |                             |            |                            |
|------------|--------------------------|-----|-----------------------------|------------|----------------------------|
| Permission | Starks                   | 63  |                             | 7/30/1975  | Distribution line          |
| License    | Starks                   | 63  | Starks Trail Riders<br>ATV  | 10/9/2009  | Recreational trail         |
| Permission | Industry                 | 63  |                             | 8/28/1978  | Road / driveway            |
| Permission | New Sharon               | 63  | Linc's Electric             | 11/1/2002  | Distribution line          |
| Permission | Concord                  | 63  |                             | 4/6/1944   | Agricultural               |
| Agreement  | Farmington               | 278 |                             | 8/28/1930  | Agricultural uses          |
| Permission | Farmington               | 278 |                             | 1/2/2004   | Distribution line          |
| Permission | Farmington               | 278 | Town of Farmington          | 1/22/1971  | Sign                       |
| Agreement  | Wilton                   | 278 |                             | 7/31/2006  | Drainage way               |
| Agreement  | Wilton &<br>Chesterville | 63  |                             | 5/10/2002  | Agricultural uses / spring |
| Agreement  | Jay                      | 278 |                             | 10/15/1987 | Agricultural uses          |
| Permission | Jay                      | 278 |                             | 9/28/1995  | Remove plants              |
| Permission | Livermore<br>Falls       | 200 | Bowman Field Flying<br>Club | 10/4/2010  | Marker balls               |
| Agreement  | Livermore<br>Falls       | 200 |                             | 10/20/2004 | Underground pipe & lawn    |
| Agreement  | Livermore<br>Falls       | 200 |                             | 12/7/2000  | Agricultural use           |
| Agreement  | Livermore<br>Falls       | 200 |                             | 7/25/1993  | Road / driveway            |
| Agreement  | Livermore<br>Falls       | 200 |                             | 11/12/2004 | Underground drainage       |
| Permission | Livermore<br>Falls       | 200 |                             | 11/8/2010  | Agricultural use           |
| License    | Livermore<br>Falls       | 200 |                             | 6/27/1989  | Road / driveway            |
| Agreement  | Leeds                    | 200 |                             | 10/9/1972  | Agricultural use           |
| Permission | Leeds                    | 200 |                             | 8/13/2012  | Livestock gate             |
| Permission | Leeds                    | 200 |                             | 12/16/1976 | Agricultural use           |
| Permission | Leeds                    | 200 |                             | 11/18/1998 | Hunting                    |
| License    | Leeds                    | 200 |                             | 8/22/1992  | Agricultural user          |
| License    | Leeds                    | 200 | Leeds Stump Jumpers         | 6/8/2001   | Recreational trail         |
| Agreement  | Greene                   | 200 | Town of Greene              | 11/6/1986  | Driveway / turnaround      |
| Agreement  | Greene                   | 200 |                             | 10/13/2007 | Driveway                   |
| Permission | Greene                   | 200 |                             | 11/2/2010  | Shed                       |

**EXHIBIT C**

**Form of Passamaquoddy Lease Assignment**

**ASSIGNMENT OF LEASE**

THIS ASSIGNMENT OF LEASE AGREEMENT ("Assignment") is made as of as of \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and among by and among **Central Maine Power Company**, a Maine corporation with its principal place of business at 83 Edison Drive, Augusta, Maine (hereinafter called "Assignor") and [**NECEC Transmission LLC**], a Delaware limited liability company and an affiliate of Central Maine Power Company under 35-A M.R.S. § 707 ("Assignee").

**WITNESSETH:**

WHEREAS, Assignor is a party to a certain lease agreement by and between the Passamaquoddy Tribe, a federally recognized Indian Tribe having reservations at Pleasant Point, Maine and Princeton, Maine (hereinafter called the "Lessor") and Central Maine Power Company ("Lease Agreement"). A copy of the Lease Agreement is attached hereto as Exhibit A.

WHEREAS, Lessor is the owner of a property in Lowelltown Township (T1 R8 WBKP) in Franklin County, Maine described in a deed from Great Northern Nekoosa Corporation to the United States of America, as Trustees for the benefit of the Passamaquoddy Tribe, recorded in the Franklin County Registry of deeds in Book 718, Page 128 ("Lessor's Property").

WHEREAS, under the terms of the Lease Agreement, the Lessor has leased to Assignor, a non-exclusive lease and right to use of a portion of Lessor's Property for the construction of transmission line facilities all as described in the Lease Agreement being a three hundred (300) foot wide by approximately three hundred (300) foot long area located on a portion of the aforementioned Lowelltown Township (hereinafter the "Leased Premises").

WHEREAS, the Bureau of Indian Affairs ("BIA") has or will have as of the effective date of the Lease Agreement approved the Lease Agreement;

WHEREAS, the Lease Agreement permits the assignment of Assignor's rights and interests in the Lease Agreement in whole or in part subject to BIA consent as may be required under applicable BIA regulations; and,

WHEREAS, Assignor and Assignee wish to enter into this Assignment Agreement for the purpose of assigning Assignor's rights under the Lease Agreement.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereto agree as follows:

1. Definitions. For purposes of this Assignment, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in this Assignment Agreement or as may be applicable the Lease Agreement.
2. Assignment and Assumption. Assignor does hereby assign, sell, convey, transfer and set over to Assignee all of Assignor's right, title and interest in and to the Lease Agreement, and Assignee accepts from Assignor all such right, title and interest, and hereby agrees to hereinafter accept the obligations of Lessee under the Lease Agreement.
3. Indemnification. Assignee hereby agrees to indemnify and hold Assignor harmless from and against any loss, cost, expense, damage, claim, action, cause of action, suit, or other liability (including reasonable attorneys'

fees) incurred by Assignor which arises out of, or is based upon, a failure by Assignee to perform or fulfill any term, covenant, agreement, duty, responsibility or obligation of Assignee, as Lessee under the Lease Agreement which initially accrues or arises after the date hereof.

4. Miscellaneous. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument. This Assignment shall be governed by the laws of the State of Maine, without regard to conflicts of law principles, except as otherwise specified in the Lease Agreement. This assignment shall be subject to any requirements pertaining hereto under BIA regulations.

*[SIGNATURE PAGE IMMEDIATELY FOLLOWS]*



SIGNATURE PAGE

The parties have executed this Assignment on the day and year first above written.

**ASSIGNOR:**

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

**ASSIGNEE:**

[NECEC TRANSMISSION LLC]

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

COPY OF THE LEASE AGREEMENT

**EXHIBIT D**

**Form of State of Maine Lease Assignment**

**ASSIGNMENT OF LEASE**

THIS ASSIGNMENT OF LEASE AGREEMENT ("Assignment") is made as of as of \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and among by and among **Central Maine Power Company**, a Maine corporation with its principal place of business at 83 Edison Drive, Augusta, Maine (hereinafter called "Assignor") and [**NECEC Transmission LLC**], a Delaware limited liability company and an affiliate of Central Maine Power Company under 35-A M.R.S. § 707 ("Assignee").

**WITNESSETH:**

WHEREAS, Assignor is a party to a certain lease agreement by and between the State of Maine, by the Bureau of Parks and Lands, Department of Agriculture, Conservation and Forestry (hereinafter called the "Lessor") and Central Maine Power Company ("Lease Agreement"). A copy of the Lease Agreement is attached hereto as Exhibit A.

WHEREAS, under the terms of the Lease Agreement, the Lessor has leased to Assignor, a non-exclusive lease and right to use of a portion of the West Forks Plantation and Johnson Mountain Township (T2 R6 BKP WKR) Maine Public Reserved Lands in Somerset County, Maine, being a three hundred (300) foot wide by approximately one mile long area located on a portion of the aforementioned Maine Public Reserved Lands (hereinafter the "Leased Premises").

WHEREAS, Assignor and Assignee wish to enter into this Assignment Agreement for the purpose of assigning Assignor's rights under the Lease Agreement.

WHEREAS, Lessor has consented to the assignment of the Lease Agreement to Assignee.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereto agree as follows:

1. Definitions. For purposes of this Assignment, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in this Assignment Agreement or as may be applicable the Lease Agreement.
2. Assignment and Assumption. Assignor does hereby assign, sell, convey, transfer and set over to Assignee all of Assignor's right, title and interest in and to the Lease Agreement, and Assignee accepts from Assignor all such right, title and interest, and hereby agrees to hereinafter accept the obligations of Lessee under the Lease Agreement.
3. Indemnification. Assignee hereby agrees to indemnify and hold Assignor harmless from and against any loss, cost, expense, damage, claim, action, cause of action, suit, or other liability (including reasonable attorneys' fees) incurred by Assignor which arises out of, or is based upon, a failure by Assignee to perform or fulfill any term, covenant, agreement, duty, responsibility or obligation of Assignee, as Lessee under the Lease Agreement which initially accrues or arises after the date hereof.
4. Miscellaneous. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument. This Assignment shall be

governed by the laws of the State of Maine, without regard to conflicts of law principles, except as otherwise specified in the Lease Agreement.

*[SIGNATURE PAGE IMMEDIATELY FOLLOWS]*

SIGNATURE PAGE

The parties have executed this Assignment on the day and year first above written.

**ASSIGNOR:**

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

**ASSIGNEE:**

[NECEC TRANSMISSION LLC]

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

COPY OF THE LEASE AGREEMENT

**EXHIBIT E - Compensation Lands**

| <b><u>Parcel</u></b>      | <b><u>County</u></b> | <b><u>Township</u></b>      | <b><u>Book</u></b> | <b><u>Page</u></b> |
|---------------------------|----------------------|-----------------------------|--------------------|--------------------|
| West Shore Flagstaff Lake | Somerset             | Flagstaff                   | 480                | 397                |
|                           |                      |                             | 480                | 265                |
|                           |                      |                             | 457                | 457                |
|                           |                      |                             | 453                | 431                |
| Pooler Ponds              | Somerset             | The Forks                   | 631                | 384                |
|                           |                      |                             | 373                | 220                |
|                           |                      |                             | 391                | 291                |
| Lower Enchanted           | Somerset             | Lower Enchanted             | 373                | 250                |
|                           |                      |                             | 2165               | 339                |
| Grand Falls               | Somerset             | T3 R4 BKP WKR (Spring Lake) | 396                | 127                |
|                           |                      |                             | 397                | 483                |
|                           |                      |                             | 396                | 129                |
|                           |                      |                             | 394                | 555                |
|                           |                      |                             | 397                | 145                |
|                           |                      |                             | 401                | 61                 |
|                           |                      |                             | 387                | 529                |
|                           |                      |                             | 389                | 564                |
|                           |                      |                             | 397                | 492                |
|                           |                      |                             | 396                | 128                |
|                           |                      |                             | 387                | 437                |
|                           |                      |                             | 396                | 133                |
| Little Jimmie Pond        | Kennebec             | Manchester                  | 10775              | 49                 |
|                           |                      |                             | 11147              | 275                |
|                           |                      |                             | 11147              | 275                |
| Basin Tract               | Somerset             | Pierce Pond                 | 413                | 221                |
|                           |                      |                             | 391                | 110                |
|                           |                      |                             | 418                | 131                |

**EXHIBIT F**

**Form of Option Assignment**

**ASSIGNMENT OF OPTION**

**FOR GOOD AND VALUABLE CONSIDERATION**, the receipt and sufficiency of which are hereby acknowledged, **CENTRAL MAINE POWER COMPANY**, a Maine corporation (“Assignor”) hereby assigns and transfers to **NECEC TRANSMISSION LLC**, a Delaware limited liability company (“Assignee”), all of Assignor’s right, title and interest in and to that certain Option To Purchase Land dated \_\_\_\_\_, 2018 between Assignor as Buyer, and \_\_\_\_\_, as Seller, with respect to property situated at \_\_\_\_\_, Lewiston, Maine (the “Option”). Assignor hereby assigns, and Assignee hereby agrees to assume and perform, all of the obligations of the Buyer under the Option.

**DATED:** \_\_\_\_\_, 20\_\_

**CENTRAL MAINE POWER COMPANY    NECEC TRANSMISSION LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



**EXHIBIT G**

List of Third Party Vendor Agreements

*(to be updated at the time of the Contract Date)*

- (a) Program Management Services for the New England Clean Energy Connect Agreement dated September 18th, 2018 between CMP and Black & Veatch Corporation;
- (b) Amended & Restated Agreement for Transmission Line Design Services Agreement dated September 5th, 2018 between CMP and TRC Engineers, LLC; and
- (c) any other such agreement executed by CMP in connection with the NECEC between the Contract Date and the Closing.

**EXHIBIT H**

**Form of Service Agreement**

**SERVICE AGREEMENT BETWEEN  
CENTRAL MAINE POWER COMPANY  
AND  
NECEC TRANSMISSION LLC**

This Service Agreement (this “Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Central Maine Power Company (“**Provider Company**”) and NECEC Transmission LLC (“**Client Company**”), respectively identified on the signature page herein. Provider Company and Client Company may be referred herein individually as a “**Party**” and collectively as “**Parties**”.

**WITNESSETH**

WHEREAS, the Provider Company and the Client Company are wholly owned subsidiary companies of Avangrid, Inc. (“**Avangrid**”).

WHEREAS, Avangrid is integrated into the group of companies controlled by Iberdrola, S.A. (“**IBE**”) and, as a result, is a “controlled company” within the meaning of the New York Stock Exchange (“**NYSE**”) rules. IBE is the controlling shareholder of Avangrid and its subsidiaries (collectively, the “**Avangrid Group**”) and the relationship between IBE and the Avangrid Group is subject to U.S. laws, regulations, rules and standards applicable to U.S. publicly traded companies (e.g. Securities and Exchange Commission (“**SEC**”) regulations, requirements pursuant to the Sarbanes-Oxley Act, NYSE listing standards, etc.). Consistent with IBE’s Corporate Governance System, Avangrid operates under a framework of strengthened autonomy due to its status as a publicly listed company;

WHEREAS, Avangrid initially received authorization for intercompany service agreements from the SEC in accordance with the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 (“**35 Act**”);

WHEREAS, the Energy Policy Act of 2005 (“**EPAct 2005**”) repealed the 35 Act and the intercompany services agreements are now in accordance with applicable provisions of EPAct 2005, including but not limited to the Public Utility Holding Company Act of 2005 and the regulations of the Federal Energy Regulatory Commission (“**FERC**”); and

WHEREAS, Provider Company and Client Company have entered into this Agreement whereby Provider Company agrees to provide and Client Company agrees to accept and pay for various services as provided herein at cost, with cost determined in accordance with applicable rules and regulations, which require Provider Company to fairly and equitably allocate costs among all affiliate companies to which it renders services (collectively, the “**Client Companies**”), including Client Company.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Parties to this Agreement agree as follows:

## **ARTICLE I - SERVICES**

**Section 1.1** Provider Company shall furnish to Client Company, as requested by Client Company, upon the terms and conditions hereinafter set forth, such of the services described in Appendix A hereto, at such times, for such periods and in such manner as Client Company may from time to time request and that Provider Company concludes it is able to perform. Provider Company shall also provide Client Company with special services, so long as such services do not materially add to those services described in Appendix A hereto, as may be requested by Client Company and that Provider Company concludes it is able to perform. In supplying such services, Provider Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services.

**Section 1.2** Client Company shall take from Provider Company such of the services described in Appendix A, and such additional special services, as limited by Section 1.1 hereof, as are requested from time to time by Client Company and that Provider Company concludes it is able to perform.

**Section 1.3** The cost of the services described herein or contemplated to be performed hereunder shall be directly assigned, distributed or allocated by activity, project, program, internal order or other appropriate basis. Client Company shall have the right from time to time to amend or alter any activity, project, program or internal order provided that (i) any such amendment or alteration that results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by Provider Company, (ii) the cost for the services covered by the activity, project, program or internal order shall include any expense incurred by Provider Company as a direct result of such amendment or alteration of the activity, project, program or internal order, and (iii) no amendment or alteration of an activity, project, program or internal order shall release Client Company from liability for all costs already incurred by or contracted for by Provider Company pursuant to the activity, project, program or internal order, regardless of whether the services associated with such costs have been completed.

**Section 1.4** Provider Company shall use its best efforts to maintain a staff trained and experienced in the services described in Appendix A.

## **ARTICLE II - COMPENSATION**

**Section 2.1** As compensation for the services to be rendered hereunder, Client Company shall pay to Provider Company all costs that reasonably can be identified and related to particular services performed by Provider Company for or on its behalf. The methods for

assigning or allocating Provider Company costs to Client Company, as well as to other affiliate companies, are set forth in Appendix A.

**Section 2.2** It is the intent of this Agreement that charges for services shall be distributed among Client Companies, to the extent possible, based upon direct assignment. The amounts remaining after direct assignment shall be allocated among the Client Companies using the methods identified in Appendix A. The method of assignment or allocation of cost shall be subject to review by the Provider Company annually, or more frequently if appropriate. Such method of assignment or allocation of costs may be modified or changed by the Provider Company without the necessity of an amendment to this Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably assigned or allocated, all in accordance with the requirements of the EAct 2005 and any orders promulgated thereunder. The Provider Company shall review with the Client Company any proposed material change in the method of assignment or allocation of costs hereunder and the Parties must agree to any such changes before they are implemented.

**Section 2.3** Provider Company shall render a monthly report to Client Company that shall reflect the information necessary to identify the costs charged for that month in accordance with the Uniform System of Accounts for Mutual and Subsidiary Service Companies. Client Company shall remit to Provider Company all charges billed to it within 30 days of receipt of the monthly report. Any amounts not paid by the due date will be subject to a late charge of .5 % per month until the remittance is received.

**Section 2.4** It is the intent of this Agreement that the payment for services rendered by Provider Company to Client Company under this Agreement shall cover all the costs of its doing business, to the extent related to the provision of the services, including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted by applicable laws and regulations.

**Section 2.5** Provider Company and Client Company acknowledge that the regulatory commission of the appropriate jurisdiction has the right to review the amount of compensation to be paid by Client Company hereunder.

### **ARTICLE III - TERM**

This Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from any State regulatory commission with jurisdiction over Client Company and shall continue in force until terminated by Provider Company or Client Company, upon not less than 90 days prior written notice to the other Party. This Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Agreement may conflict with the EAct 2005 or with

any rule, regulation or order of the FERC or any State regulatory commission with jurisdiction over Client Company adopted before or after the date of this Agreement.

#### ARTICLE IV - MISCELLANEOUS

Section 4.1 Accounting.- All accounts and records of Provider Company shall be kept in accordance with applicable rules and regulations promulgated by the FERC, in particular, the Uniform System of Accounts for Centralized Service Companies in effect as of or after the date hereof.

Section 4.2 Access to accounts and records.- Provider Company shall permit Client Company access to its accounts and records including the basis and computation of assignments and allocations.

Section 4.3 Confidentiality.- All the information received by each Party from the other under this Agreement and provided in connection with the services, shall be confidential in nature and may not be used for purposes other than those contemplated in this Agreement, unless otherwise agreed upon by the Parties.

The Parties undertake, in relation to the above information, to safeguard it diligently and not to disclose it to any third party without the consent of the other Party, other than to consultants, contractors, advisors or other service providers (“**Advisors**”) in conjunction with the provision or performance of the services. In any such case, the Party disclosing the information to such Advisors shall ensure that such Advisors assume the confidentiality undertaking provided for herein.

Notwithstanding anything to the contrary in this Agreement, the Parties may use and disclose such information when required to do so in litigation, administrative, regulatory or other legal proceedings or as otherwise required by applicable law or to the extent required to do so by a governmental authority with jurisdiction over the disclosing Party; provided that the disclosing Party must first provide notice to the other Party and afford the non-disclosing Party an opportunity to seek a protective order or other relief to prevent or limit disclosure of such information.

In connection therewith, when, as a result of the performance of the services, Provider Company gains access to commercially sensitive information from Client Company, Provider Company, in accordance with applicable law, shall adopt the necessary measures to maintain the confidentiality of such information.

The provisions of this clause shall apply while the Agreement remains in force and for a period of two years after its termination, other than when the confidential information becomes publically known for reasons other than a breach by a Party of its obligations hereunder.

Section 4.4 Transparency.- Provider Company and Client Company shall inform the regulators of the transactions performed among them under this Agreement, if requested and/or required by applicable law.

Section 4.5 Notices.- All notifications among the Parties in connection with this Agreement shall be made in writing and delivered by hand with written acknowledgement of receipt by the other Party or by fax, post or e-mail, as well as any other means, provided that a record is at all times made of receipt by the addressee.

Section 4.6 Severability.- Should any court or competent authority declare null and void any of the provisions of this Agreement, the whole document shall remain in force, other than such null and void provision(s).

Section 4.7 Modification.- The terms of this Agreement may only be amended by written agreement between the Parties.

Section 4.8 Assignment.- All of the rights under this Agreement are exclusive to the Parties and may not be assigned without the prior written consent of the Parties.

Section 4.9 Taxes.- Each Party shall, at its own expenses, pay all applicable taxes, based on applicable law. Each Party also shall provide to the other, in a timely manner, any documents and information that may be requested that may assist in the preparation of any tax filing or planning.

Section 4.10 Dispute Resolution.- In the event that any conflict or dispute arises among any of the Parties in connection with this Agreement, the Parties shall enter into negotiations in order to try to resolve it by mutual agreement within 30 days, or any other period as may be agreed between the Parties.

Section 4.11 Applicable law.- This Agreement shall be governed by the laws of the State of Maine.

Section 4.12 Ethics.- Each Party shall conduct itself in accordance with the highest ethical standards and principles.

Section 4.13 Entire Agreement.- This Agreement includes all of the agreements, terms, and conditions agreed on by the Parties regarding its subject matter, and supersedes any other prior agreement or conversation between the Parties in relation to such subject matter.

This Agreement may be executed (such execution to be evidenced by either signature or electronic consent consistent with federal and state law on electronic signature) in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date and year first above written.

CENTRAL MAINE POWER COMPANY

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

NECEC TRANSMISSION LLC

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

## **APPENDIX A**

### **Description of Services to be Provided by Provider Company and Determination of Charges for Such Services to the Client Companies**

This document sets forth the description of services that can be provided by Avangrid Group affiliate companies (“Provider Company”) and the methodologies used to determine the cost, assignment, and allocation of services provided and to assign or allocate such costs to Avangrid Group affiliate companies (“Client Company”) within the Avangrid Group.

#### **Description of Services**

A description of each of the services performed by Provider Company, which may be modified from time to time, is presented below.

1. Accounting Services such as establishing accounting policies, the maintenance of books and records, corporate financial consolidation, preparation of financial reports, annual capital and operating plan preparation (on a per company and corporate basis), fixed asset accounting, and compliance with applicable laws and regulations.
2. Audit Services include the management of an entity-wide framework of corporate controls.
3. Corporate Planning Services include the preparation of corporate plans, budgets and financial forecasts, monitoring trends and evaluating business opportunities.
4. Executive Services include general and administrative management and strategic planning.
5. Finance and Treasury Services include the coordination of activities relating to securities issuances, monitoring capital markets, cash management, bank reconciliation and administering insurance programs, and tax services for the coordination of income, property and revenue tax compliance and tax accounting.
6. Governmental Affairs Services include monitoring, reviewing and researching legislation and lobbying government officials.
7. Accounts Payable Services include the accurate and timely payment of invoices and employee expense reports, allocation of expenses to the proper general ledger accounts, production of annual reports to the IRS, maintenance of vendor information and source documents, processing checks and wire transfers, and performing bank reconciliations.



8. Human Resources Services include the establishment and administration of employee policies, the supervision of compliance with legal requirements in the areas of employment, compensation, benefits and employee health, welfare, and safety and contract negotiation and relations management with labor unions; and employee performance management program. May also maintain the employee master files relating to each employee as well as manage recruiting, training, and promotions.
9. Corporate Security Services include the establishment of a security program and entity-wide governance framework to manage, oversee and assist the organization in meeting its corporate, legal, and regulatory responsibilities with regard to the protection of cyber, physical and information assets.
10. Payroll Services include the supervision and coordination of the calculations, records and control requirements necessary to generate payment of employee salaries and wages and to maintain relevant employee information.
11. Records Retention Services include coordinating and maintaining a program for ensuring safe on- and off-site records retention in accordance with applicable regulations.
12. Regulatory Management Services include coordination of the Client Companies' rates and regulatory economics departments including rate-related compliance matters.
13. Legal Services include the coordination and direction of law and regulatory departments, legal support for all of the Client Companies, including managing litigation, contract review and negotiations and participating in state and federal regulatory proceedings.
14. Other Corporate Support Services may include corporate communications services, transportation, logistical and administrative support.
15. Transmission and Supply Services include activities related to the coordination and direction of electric and/or gas transmission, storage, and supply functions.
16. Distribution Services include activities related to the coordination and direction of electric and/or gas distribution functions.
17. Information Technology Services include centralized information technology services for the Client Companies such as Data Center Operations, IS Networking and Telecommunications systems operations and maintenance, software applications development and maintenance, technology development, end user support, and printing and mailing of utility customer bills.

18. Supply Chain Services include centralized purchasing services such as procurement of materials and supplies, fleet services, contract administration and materials management for the Client Companies.
19. Customer Services include call center operations including responding to Client Companies' customer calls, customer billing, accounts receivable, credit and collections services, customer satisfaction monitoring and management of low income programs.
20. Engineering Services include centralized customary engineering services including design engineering, general engineering, construction engineering and GIS technology development, meter services and testing and operations.
21. Commodity Planning Service includes coordination and direction of gas or electric supply planning and procurement at utility or non-utility companies.

Provider Company accounting, billing and cost allocation methods utilize the “Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies” and are structured so as to comply with the FERC standards for service companies in registered holding-company systems.

#### Cost Assignment

Provider Company maintains an accounting system that enables costs to be identified by Internal Order (I/O) number. These I/O numbers will indicate whether the cost is a direct charge or the result of an allocated charge. The primary inputs to the accounting system are time reports, accounts payable invoices and journal entries. Charges for labor are calculated using the employees' hourly rate. All Provider Company employees will maintain a record of their time. Employees will utilize separate I/O to record their activities, including the services provided directly to Client Companies. All employees will charge their time on a daily basis using designated increments. The time sheets will be reviewed and approved by department supervisors. The wages of those employees, such as administrative assistants and secretaries, who generally assist employees who provide services directly to system companies, will be allocated based on the allocation of the wages of the employees they assist. Time records will be maintained for three years. Indirect attributable costs are charged to the services performed in proportion to the directly assigned costs or other appropriate cost allocations.

Costs will be accumulated by I/O number and assigned as follows:

1. Costs accumulated in an I/O number for services specifically performed for a single Client Company will be directly assigned or billed to that Client Company.

2. Costs accumulated in an I/O number for services specifically performed for two or more Client Companies will be distributed among those Client Companies using methods determined on a case-by-case basis consistent with the nature of the work performed and on one of the allocation methods described below.
3. Costs accumulated in an I/O number for services of a general nature, which are applicable to all Client Companies, will be allocated among all Client Companies, including the holding company, and billed to them using the global allocation factor.

### Cost Allocation

Provider Company uses cost allocation methods designed to fully distribute costs. Provider Company's cost allocation methodology is comprised of the following three steps:

1. To “direct charge” all labor, materials and other expenses to Client Companies whenever feasible.
2. To allocate directly attributable costs to Client Companies based upon a measurable cost causing relationship, i.e., payroll department costs are allocated on the number of employees for each Client Company.
3. To allocate indirectly attributable costs that are common to all Client Companies, including the holding company, using the global allocation factor taking into consideration the relative size of each Client Company with regards to gross revenues, gross payroll expense and plant.

Costs that can be directly attributed to direct charges are allocated in proportion to the direct charges or other appropriate cost allocations. For example, direct labor charged to prepare testimony for a specific utility not only includes the direct payroll charge (the hourly rate times the hours reported) but also includes the cost of that individual's proportional payroll overhead cost, and such other overheads as common asset usage, occupancy charges and management overhead charges (commonly referred in aggregate as an Administrative and General Overhead).

General and administrative costs that are not associated with a specific, identifiable, causal relationship are pooled and allocated to all system companies, including the holding company.

### Allocation Methods

#### ***Allocations related to Direct Labor Charges***

The following allocations will be applied to the Direct Labor Charges:

Payroll Overhead Charge will be calculated to recover costs associated with labor, such as pension, benefits, lost time and payroll taxes. The payroll overhead costs will be charged to

Client Companies based on direct labor charges. The rate is computed by dividing the annual payroll overhead expenses by the annual base labor dollars.

Other Allocations applied to Direct Labor Charges will consist of the following:

1. Common Asset Usage Overhead:

The Common Asset Usage Overhead allocates the cost of furniture and desktop equipment (including PC's) used by Provider Company. The rate is calculated by dividing the economic carrying costs of the assets by the total actual labor dollars of employees using those assets. This overhead is directly applied to all Provider Company labor charged or allocated to Client Companies.

2. Occupancy Overhead:

The Occupancy Overhead allocates costs related to the workspace occupied by Provider Company employees. The rate is calculated by dividing the economic carrying costs for the buildings by the total actual labor dollars of employees working in those buildings. This overhead is directly applied to all Provider Company labor charged or allocated to Client Companies.

3. Management Overhead:

This overhead represents the management cost of a function within Provider Company. It is based on the ratio of Provider Company supervisory wages to all other wages. This fixed rate is applied to all direct labor charged to Client Companies.

***An Alternative Allocation Applied to Direct Labor Charges or Other Direct Charges***

An alternative allocation applied to direct labor charges or other direct charges is commonly referred to as an Administrative and General Support Adder. This overhead is a general overhead used in place of other specific administrative and general support overheads and is added to total costs of client services. The purpose is to recover indirect administrative and general expenses incurred and not otherwise charged directly to Client Companies for certain activities. The adder also includes expenses associated with office facilities, including furniture and office equipment, used in performing these administrative functions.

***Allocations related to Distributed Services***

The following ratios will be used to allocate costs for services not directly assigned but pooled and allocated based on a causal measurement:

Number of Employees Ratio - Based on the number of employees benefiting from the performance of a service. This ratio will be determined annually based on actual count of

applicable employees at the end of the previous calendar year and may be adjusted periodically due to a significant change.

Accounts Payable Ratio - Based on the number of invoices processed for each of the specific Client Companies. This ratio is determined annually based on the actual count of invoices at the end of the previous calendar year and may be adjusted periodically due to a significant change.

Number of Customers Ratio - Based on the number of customers at each Client Company benefiting from the performance of a service. This ratio will be determined annually based on the average annual customer count and may be adjusted periodically due to a significant change.

Global Allocation Factor - This formula will be determined annually based on the average of gross plant (original plant in service), gross payroll charges (salaries and wages, including overtime, shift premium and lost time, but excluding pension, payroll taxes and other employee benefits) and gross revenues during the previous calendar year and may be adjusted for any known and reasonable quantifiable events or at such time as may be required due to significant changes. This formula is commonly referred to as the Massachusetts Formula.

Regulated Global - 6 Allocation Factor - This formula is derived through utilization of the same data as the Regulated Global allocation factor above, but it is limited to data of the following six utility subsidiaries: NYSEG, CMP, MNG, MEPCO, RGE, and NHG.

Regulated Global - 3 Allocation Factor - This formula is derived through utilization of the same data as the Regulated Global - 6 allocation factor above, but it is limited to data of the following three utility subsidiaries: NYSEG, CMP, and RGE.

Commodity Energy Supply Transaction System Allocation Factor - This formula is used to allocate the cost of management of the Energy Supply Transaction System to all Client Companies that benefit from this system. The formula is derived through utilization of the gas and/or electric supply costs of the Client Companies and reflects the proportion of such costs occurring between these entities.

Commodity - Global Allocation Factor - This formula is used to allocate the cost of commodity planning, procurement, and sale when the service is applicable to or benefits all Client Companies, regardless of whether they are a gas, electric, or combined company. The formula is derived through utilization of the gas and/or electric supply costs of the Client Companies and reflects the proportion of such costs occurring between these entities.

Commodity - Regulated Gas Allocation Factor - This formula is used to allocate costs for gas commodity planning, procurement and sale for regulated gas utility Client Companies. The formula is derived through utilization of the gas supply costs of the regulated gas utility affiliates and reflects the proportion of such costs occurring between these entities.

Electric Allocation Factor - This formula is used to allocate costs for the coordination and direction of electric transmission issues for the benefit of regulated electric utility Client Companies and departments. The formula is derived through utilization of the same data as the global allocation noted above, but it is limited to data of electric operating companies or departments.

**EXHIBIT I**

**Form of Reciprocal Easement Agreement**

**RECIPROCAL EASEMENT INDENTURE**

**THIS INDENTURE** made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **CENTRAL MAINE POWER COMPANY**, a Maine corporation having its office and principal place of business at 83 Edison Drive, Augusta, Kennebec County, Maine 04336, hereinafter “CMP” and **NECEC TRANSMISSION LLC**, a Delaware limited liability company having a mailing address of \_\_\_\_\_ hereinafter “NECEC”.

**W I T N E S S E T H**

**Grant from CMP to NECEC:**

CMP does hereby grant unto NECEC, **WITHOUT COVENANT**, a 50 foot wide non-exclusive easement, as hereinafter described, across CMP’s 300 foot wide strip of land known as the Section 200 / 251 corridor situated in Lewiston, Androscoggin County, Maine, for the purposes of (i) constructing and maintaining a road across CMP’s land; and (ii) to pass and repass on foot and with vehicles over said road for the purpose of ingress and egress, in common with others, to land of NECEC, as hereinafter described, across CMP’s said strip of land. The easement is over a portion of the CMP’s land acquired from Central Securities Corporation by a deed dated November 14, 1930, recorded at the Androscoggin County Registry of Deeds in Book 407, Page 526 (also see a Deed of Merger between Central Maine Power Company and Central Securities Corporation dated December 23, 2005 and recorded in said Registry in Book 3761, Page 304), the “Section 200 / 251 Corridor”.

Said easement granted to NECEC hereunder shall hereinafter be referred to as the “NECEC Easement” and is more particularly bounded and described as follows:

A 50-foot-wide easement situated easterly of but not adjacent to US Route 202 in the City of Lewiston, Androscoggin County, Maine more particularly described as follows: **[INSERT LEGAL DESCRIPTION OF NECEC EASEMENT]**

Said NECEC Easement to be for all purposes including but not limited to roadway construction, maintenance and improvement for ingress and egress by vehicles and foot, together with the right to convey these rights to others, provided however, CMP may require NECEC to place electric and communications utilities underground if placing such utilities overhead would, in the sole opinion of CMP, conflict with CMP’s existing or proposed facilities.

For further reference see Exhibit A attached hereto and made a part hereof.

The NECEC Easement shall be subject to the conditions, limitations and covenants set forth below and shall, subject thereto, be for the benefit of and appurtenant to land of NECEC described in a deed recorded in the Androscoggin County Registry of Deeds in Book \_\_\_\_ Page \_\_\_\_, all other abutting land now owned by NECEC, and all other abutting land owned by NECEC in the future.

The above-described NECEC Easement granted by CMP to NECEC is subject to the terms and conditions described below, and NECEC does hereby covenant and agree as follows:

1. Any road constructed and located within the NECEC Easement shall be constructed and maintained at the sole risk and expense of NECEC and shall be constructed, operated and maintained in compliance with all laws, ordinances and regulations pertaining thereto.
2. Any road constructed and located within the NECEC Easement shall be constructed in a manner so that the existing grade shall not be increased by more than two feet.
3. Installation of utilities installed within the NECEC Easement shall be coordinated in advance with CMP and may be required to be placed underground.
4. NECEC shall be responsible for the cost of relocating or raising pole structures and or wires, located within CMP's land, if CMP determines in its sole discretion that the (i) grade of any road or (ii) the use of the NECEC Easement as set forth herein interferes with said pole structures or wires, or CMP's maintenance thereof.
5. NECEC will take any steps necessary to ensure that erosion does not occur and will, at their sole expense, repair any erosion which may occur as a result of the exercise of the rights herein granted.
6. NECEC will at their sole expense, obtain prior to any construction, and will at all times comply with and maintain the road in compliance with all local, state and federal permits, and will comply with all laws, ordinances, rules, regulations and requirements of all federal, state and local governments and appropriate departments, commissions, boards and officers thereof, which may be applicable to the exercise of the rights granted herein and use of the NECEC Easement contemplated hereby.
7. NECEC agrees to pay any and all cost for repair of damage by them or their employees, agents or contractors, caused to CMP's land or to CMP's transmission lines and facilities, now or hereinafter located on CMP's land, or equipment connected thereto, resulting from the exercise of the NECEC Easement and rights herein granted.
8. The NECEC Easement herein granted to NECEC shall at all times be subject to and shall not in any way limit CMP's rights in or use of CMP's land, and nothing in this Indenture shall be construed to limit or restrict CMP's use of its land in its operation as a public utility or otherwise, including but not limited to the installation, removal and maintenance of utility lines and wires, structures and equipment. Further, nothing in this Indenture shall be construed as conveying any right to NECEC not expressly granted herein nor shall any liability arise from CMP's use of its land.
9. NECEC, for itself and its successors and assigns, agree to indemnify CMP and its parent corporation and affiliates and its and their directors, officers, employees, agents, contractors, successors and assigns and hold it and them harmless from and against all claims, penalties,



finances, demands and actions arising out of any willful act or gross negligence of NECEC or its employees, agents, representatives or contractors or its invitees.

10. CMP, for itself and its successors and assigns, reserves the right to relocate the NECEC easement, at CMP's own expense, if the NECEC easement interferes with CMP's use of its land in its operation as a public utility or otherwise, including but not limited to the installation, removal and maintenance of utility lines and wires, structures and equipment, provided that any such relocation provides the same utility to NECEC as the NECEC Easement granted herein.

**Grant from NECEC to CMP:**

NECEC does hereby grant unto CMP, **WITHOUT COVENANT**, a 50-foot-wide non-exclusive easement, in common with others, as hereinafter described, across NECEC's land situated in Lewiston, Androscoggin County, Maine, for the right and easement to pass and repass on foot and with vehicles over, along and across a roadway as now exist, or to be constructed in the future by NECEC or CMP, across NECEC's said land to land of CMP, as hereinafter described (the "CMP Easement").

The Easement herein conveyed is over a portion of NECEC's land acquired from \_\_\_\_\_ by deeds recorded at the Androscoggin County Registry of Deeds in Book \_\_\_\_, Page \_\_\_\_.

Said Easement granted to CMP hereunder shall hereinafter be referred to as the "CMP Easement" and is more particularly bounded and described as follows:

A 50-foot-wide easement situated between the easterly line of US Route 202 and the above described Section 200 / 251 Corridor in the City of Lewiston, Androscoggin County, Maine, more particularly described as follows: **[INSERT LEGAL DESCRIPTION OF CMP EASEMENT]**

Said CMP Easement to be for all purposes including but not limited to roadway construction, maintenance and improvement for ingress and egress by vehicles and foot, together with the right to convey these rights to others.

For further reference see Exhibit A attached hereto and made a part hereof.

The CMP Easement shall be subject to the conditions, limitations and covenants set forth below and shall, subject thereto, be for the benefit of and appurtenant to the above described Section 200 / 251 Corridor, all other abutting land now owned by CMP, and all other abutting land owned by CMP in the future.

The above-described CMP Easement granted by NECEC to CMP is subject to the terms and conditions described below, and Grantor does hereby covenant and agree as follows:

1. Any road constructed and located within the CMP Easement shall be constructed and maintained at the sole risk and expense of CMP and shall be constructed, operated and maintained in compliance with all laws, ordinances and regulations pertaining thereto.
2. Any road constructed and located within the CMP Easement shall be constructed in a manner so that the existing grade shall not be increased by more than two feet.
3. Installation of utilities installed within the CMP Easement shall be underground and coordinated in advance with NECEC.

4. CMP will take any steps necessary to ensure that erosion does not occur and will, at their sole expense, repair any erosion which may occur as a result of the exercise of the rights herein granted.
5. CMP will at its sole expense, obtain prior to any construction, and will at all times comply with and maintain the road in compliance with all local, state and federal permits, and will comply with all laws, ordinances, rules, regulations and requirements of all federal, state and local governments and appropriate departments, commissions, boards and officers thereof, which may be applicable to the exercise of the rights granted herein and use of the CMP Easement contemplated hereby.
6. CMP agrees to pay any and all cost for repair of damage by it or its employees, agents or contractors, caused to NECEC's land and facilities, now or hereinafter located on NECEC's land, or equipment connected thereto, resulting from the exercise of the CMP Easement and rights herein granted.
7. The CMP Easement herein granted to CMP shall at all times be subject to and shall not in any way limit NECEC's rights in or use of NECEC's land, and nothing in this Indenture shall be construed to limit or restrict NECEC's use of its land in its operation as a public utility or otherwise, including but not limited to the installation, removal and maintenance of utility lines and wires, structures and equipment. Further, nothing in this Indenture shall be construed as conveying any right to CMP not expressly granted herein nor shall any liability arise from NECEC's use of its land.
8. CMP, for itself and its successors and assigns, hereby waive any claim they now have or may have in the future against NECEC and or its parent corporation and affiliates and their directors, officers, employees, contractors, agents, its and their successors and assigns, which may arise out of any willful act or gross negligence of CMP or its employees, agents, representatives or contractors or its invitees.
9. NECEC, for itself and its successors and assigns, reserves the right to relocate the CMP easement, at NECEC's own expense, if the CMP easement interferes with NECEC's use of its land, provided that any such relocation provides the same utility to CMP as the CMP Easement granted herein.

The terms CMP and NECEC shall include their respective successors, affiliates, heirs or assigns.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals on this Indenture, all as of the day and year first above written.

*[Signature pages follows.]*

**CENTRAL MAINE POWER COMPANY**

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

STATE OF MAINE

\_\_\_\_\_, ss.

\_\_\_\_\_, .

The above named \_\_\_\_\_, personally appeared before me and acknowledged the foregoing instrument to be his/her free act and deed in his said capacity and the free act and deed of said Central Maine Power Company.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name  
My Commission Expires:

**NECEC TRANSMISSION LLC**

\_\_\_\_\_  
Witness

By:\_\_\_\_\_

STATE OF MAINE

\_\_\_\_\_, ss.

\_\_\_\_\_,

The above named \_\_\_\_\_ personally appeared before me and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said NECEC Transmission LLC.

\_\_\_\_\_  
Notary Public/Attorney At Law

\_\_\_\_\_  
Printed Name  
My Commission Expires:

**EXHIBIT A**

**Indenture by and between CENTRAL MAINE POWER COMPANY and NECEC  
TRANSMISSION LLC**