

Downeast Reliability Project

Proposed New Transmission Line



Bangor ▲

Ellsworth ▲

Project Area



THE NEED

Bangor Hydro Electric Company regularly conducts assessments of the entire electric supply system to assure that the system is reliable and capable of meeting current and future energy needs. An assessment was conducted for our Downeast service area of Maine, and it was determined that this area has several conditions that require an upgrade of the current system.



A view of Bangor Hydro's aging Line #13. The proposed Downeast Reliability Project seeks to improve the reliability standards of transmission lines servicing the Downeast region, and will utilize this same corridor.

Bangor Hydro's Downeast service area, which includes portions of Hancock and Washington Counties, is served by a single high voltage line. This project will provide a second, redundant line to reduce the risk of losing power to this large service area. In addition, the coastal area east of Ellsworth is in need of upgrades that will enable growth within the region and allow connection to potential renewable sources of energy.

Our primary focus is to maintain reliability for our customers. To address needed improvements, we are proposing the Downeast Reliability Project. The project includes the addition of a transmission line, substation and switching stations. Several alternatives were evaluated to respond to the need for reliability improvement in the

Downeast area. It was determined that additional transmission capacity is necessary to boost system reliability and address other system needs. The Downeast Reliability Project will include a new 115,000 volt overhead transmission line running from the east side of Ellsworth to Columbia, the construction of a new substation near the mid-point of the transmission line and switching stations in Ellsworth and near Epping (in Columbia). This project will bring important new energy infrastructure to support the economy of the Downeast region.

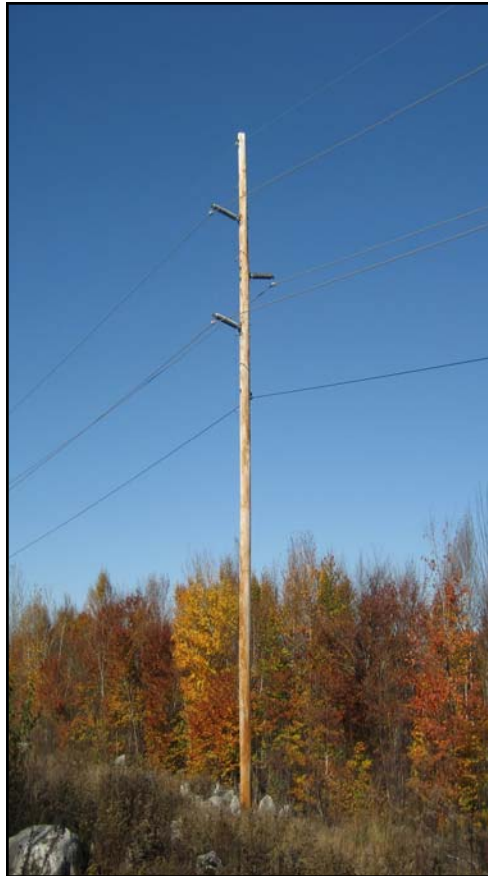
In addition to constructing a new transmission line, Bangor Hydro is planning to upgrade a section of existing line to further strengthen the transmission system. Portions of the new transmission line will be built along the same corridor as the existing Line #13, which will be upgraded at the same time. After a thorough assessment, Bangor Hydro has determined that a second line, built as the Downeast Reliability Project is the most efficient and cost-effective plan to significantly improve the reliability of service in the Downeast area.

PROGRESS TO DATE

A project of this kind takes several years to develop. The key parts of the development process include system studies, engineering, environmental review, routing study, landowner contact, communication, permitting, and finally construction. Bangor Hydro has completed the development process. The project has been approved by the Independent System Operator of New England (ISO New England) for pool funding by all New England electricity customers. This means that the cost of the project will be shared over six states, and therefore results in minimal rate impact to Bangor Hydro customers. We evaluated several routing alternatives and the final route is complete. Landowner support is essential for the project's success.

Bangor Hydro is coordinating with the Maine Department of Transportation and the Department of Conservation concerning collocation with the new Down East Sunrise trail corridor. Clearing and construction contractors will use the trail for access, however the trail will remain open and safe for recreational vehicles. We will continue working with other key stakeholders, including local towns in the project area, over the next few months.

The Maine Public Utilities Commission (MPUC) granted a Certification of Public Convenience and Necessity (CPCN) for the project in December 2009. The Maine Department of Environmental Protection and the U.S. Army Corps of Engineers granted environmental approvals in early 2011. Bangor Hydro has selected right-of-way clearing contractors and is in the process of selecting a contractor for line construction. Right-of-way clearing got underway in January. Substation construction will begin in 2011. We anticipate completion of this projection in late 2012.



The completed Downeast Reliability Project will look similar to this existing line.

BANGOR HYDRO'S PROJECT PHILOSOPHY

Bangor Hydro is committed to keeping our electric transmission system in high-quality condition to provide reliable service to customers. To maintain reliable service, we need to occasionally upgrade existing transmission lines or construct new transmission lines. When improvements to the transmission system are needed, we believe that a collaborative development process with stakeholders is the best way to approach a project. Much of the success of a project depends on local understanding and support of the system needs. Therefore we place a high priority on contacting landowners in the initial stages of the project and working with all interested parties to develop a project that meets customers' needs and ensures minimal impact to neighbors, towns, and the environment. Safety, environmental protection, and cost control are vital elements in the transmission system improvement process. Throughout the project process, you will find Bangor Hydro representatives are always working to ensure that these elements are given the foremost priority and that business is conducted in a thorough and respectful manner.

Next Steps

- Maintain public outreach to involve communities, regulatory agencies, economic interests and conservation groups.
- Complete right-of-way clearing by summer 2011.
- Begin line construction in June 2011.
- Complete substation and switching station construction in 2011 & 2012.
- Project completion by 2012.

If you have any questions about the project or would like to be included in ongoing communications, you may contact project manager Steve Sloan at (207) 973-2568 or ssloan@bhe.com. For project updates check out <http://www.bangorhydro.com/about/transmission.cfm>

and click on the Downeast Reliability Project link.

Bangor Hydro welcomes and encourages participation from all interested parties.



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