

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 station. 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 Harrington, the construction of a new substation near the mid-point of the transmission line and a switching station near Epping (in Columbia). This project will bring important new energy infrastructure to support the economy of the Downeast region.

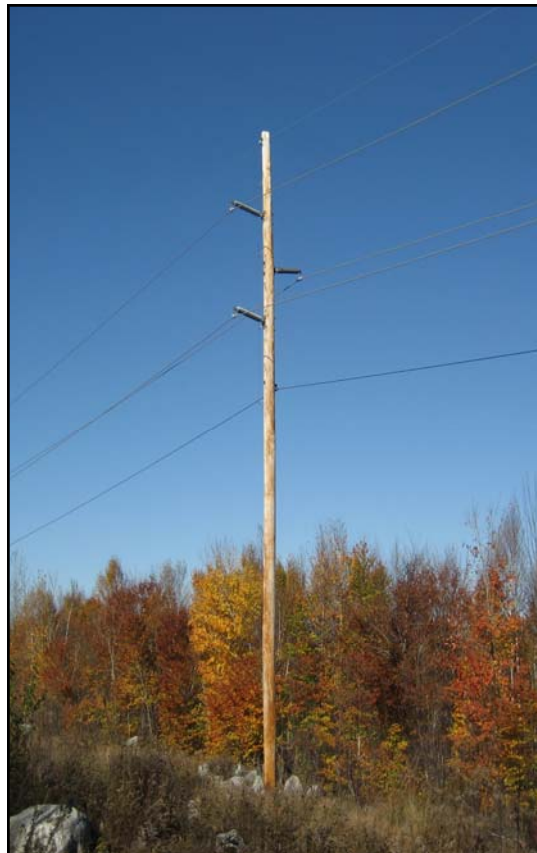
In addition to constructing a new transmission line, Bangor Hydro is planning to upgrade a section of existing line to further strengthen the transmission system. Portions of the new transmission line will be built along the same corridor as the existing Line #13, which will be upgraded at the same time. After a thorough assessment, Bangor Hydro has determined that 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 is midway through the process and we are making good progress. We believe that a second transmission line is the preferred solution to meet the reliability needs, and we have evaluated several route options. In addition, 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 would be shared over six states, and therefore results in minimal rate impact to Bangor Hydro customers. Bangor Hydro anticipates completion of this project by 2012.

Bangor Hydro is coordinating with the Maine Department of Transportation and the Department of Conservation concerning co-location with the existing railroad and the proposed new trail corridor. We will continue working with other key stakeholders, including local towns in the project area, over the next few months. At this time, our priority is to complete our work with landowners along the project route. Landowner support is essential for the Downeast Reliability Project advancement and completion.

The application to the Maine Public Utilities Commission (MPUC) for a Certification of Public Convenience and Necessity (CPCN) was submitted in January 2009. In December, the Commissioners voted unanimously to support the project and grant a certificate.



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 transmissions 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

- Complete final contacts with individual landowners along the proposed project route.
- Maintain public outreach to involve communities, regulatory agencies, economic interests and conservation groups.
- Complete land and resource surveys to prepare for environmental permitting.
- Submit environmental permits in 2010.
- Begin municipal permitting in 2010.
- Complete line and substation design.

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.bhe.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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