

PINE TREE ZONE CREDIT

AVAILABILITY

This Pine Tree Zone Credit ("PTZC") is available to those customers who demonstrate that the Department of Economic and Community Development ("DECD") has certified it as a qualified Pine Tree Development Zone business. This credit is available to those customers taking service under the B-1 (General Service), M-1 (Medium Power Primary), M-2 (Medium Power Secondary), D-4 (Primary Power Large), and T-1 (Transmission Power) rates that meet the Eligibility Criteria of this rate schedule. C

Electric delivery service must be taken on a continuous year-round basis by any one customer at a single service location. The Enrollment Date will be the date that the DECD approves the company's certification as a Pine Tree Development Zone business. The Effective Date of this schedule shall commence upon Bangor Hydro's written acknowledgement of its acceptance of a completed Pine Tree Zone Credit application. Delivery Service shall be subject to the price and terms of the applicable rate schedule associated with the PTZC and the Effective Date. Eligibility to receive PTZC begins in the calendar quarter following the Enrollment Date. Eligibility to accrue PTZC's begins in the billing month following the Enrollment Date. N

ELIGIBILITY CRITERIA - EXISTING CUSTOMERS

The PTZC Schedule is available for an existing customer's incremental electrical usage at a DECD certified Pine Tree Development Zone facility where the customer takes delivery service from Bangor Hydro. In addition, at this facility, the customer must increase its annual electrical usage (as measured in kilowatt-hours) by at least 10% over its Baseline. T

ELIGIBILITY CRITERIA - NEW CUSTOMERS

This PTZC Schedule is also available for the entire load of a new customer within a Pine Tree Development Zone. A customer purchasing an existing, fully operational facility will not be considered a new customer. T

PERCENT DISCOUNT PER MONTH

Existing Customers

For existing customers expanding total operations, Bangor Hydro and the customer will contract for a fixed annual Baseline. Baseline is defined as the customer's electric energy delivery history for the twelve months immediately preceding the Enrollment Date from the DECD and consistent with the customer's monthly billing periods. Because PTZC's are calculated on a calendar quarterly basis, the annual Baseline is divided by four (4) to derive the quarterly baseline figure. The Baseline value will not change during the course of service provided under this Pine Tree Zone Credit schedule. T, N

Service for the customer's entire load will be priced at the applicable tariff delivery rates for both Distribution and Stranded Cost. At the end of each calendar year quarter, the customer's usage will be compared to the Baseline. If the customer qualified under the Eligibility Criteria, the customer will receive a credit on its next monthly bill. If the customer's usage is at least 10% greater than Baseline, the Incremental Load applied to the credit will be defined as the customer's total quarterly load less the customer's Baseline. The credit will be calculated by summing the total Distribution and Stranded Cost charges for the preceding, eligible billing periods (not to exceed 3 maximum) and then dividing by the total kilowatt-hours over that same time period. This average Distribution and Stranded Cost rate will be multiplied by the Incremental Load to determine the Incremental tariff delivery charges. By multiplying the incremental tariff delivery charges by the appropriate Pine Tree Zone discount percentage rate, the applicable PTZC will be calculated. T, N

The amount of the credit will be determined using the following Pine Tree Zone credit schedule with applicable discounts.

Year 1	40.0%	C
Year 2	30.0%	C
Year 3	20.0%	C
Year 4	10.0%	C

Notwithstanding the foregoing, credit amounts attributable to service taken in any particular year will be capped such that in no case will the credit amount be greater than the amount paid under the applicable tariff delivery rate. C

PINE TREE ZONE CREDIT (cont.)

New Customers

Service for the customer's entire load will be priced at the applicable tariff delivery rate for both Distribution and Stranded Cost. M, T  
 At the end of each calendar year quarter, new customers qualifying under the total load criteria of this credit will receive a credit on their next monthly bill. The credit will be calculated by summing the total Distribution and Stranded Cost charges for the preceding, eligible billing periods (not to exceed 3 maximum) and by multiplying the sum of these charges by the appropriate Pine Tree Zone discount percentage rate.

The amount of the credit will be determined using the following Pine Tree Zone credit schedule with applicable discounts. C

Year 1	40.0%	C
Year 2	30.0%	C
Year 3	20.0%	C
Year 4	10.0%	C

Notwithstanding the foregoing, credit amounts attributable to service taken in any particular year will be capped such that in no case will the credit amount be greater than the amount paid under the applicable tariff delivery rate. T

APPLICATION

The customer will execute a PTZC application affirming, among other things, that the customer will take service under this credit for a period not to exceed four years. C

SPECIAL CONDITIONS

Customers taking service under this schedule are not eligible for service under any other special rate contracts offered by the Company. T

Any facilities required for service under this credit in excess of those needed for service under the applicable rate schedule shall either be furnished, owned and maintained by the customer or shall be furnished, owned and maintained by the Company, and the customer may be required to pay additional charges in accordance with the Company's Terms and Conditions. T

Existing customers who are an approved PTZ rider customer with a special rate contract prior to January 1, 2009 will remain on their existing special rate contract with their existing contract terms. N

To remain eligible to participate in this schedule, the customer must remain a DECD certified Pine Tree Development Zone business. T

TERMINATION DATE


This rate schedule will automatically terminate on the earlier of (a) 11:59:59 p.m. December 31, 2012 or (b) the termination date of the Pine Tree Zone Development Zone program established by the State of Maine, unless otherwise renewed or modified by Bangor Hydro. C

EARLY TERMINATION

Participation in this PTZC schedule will terminate automatically for any customer that fails to maintain status as a qualified Pine Tree Development Zone business. N

Bangor Hydro may terminate the participation of any customer in this PTZC schedule at any time if Bangor Hydro would have the right to terminate service to the customer pursuant to the Maine Revised Statutes, or Rules and Regulations of the MPUC. N

DOCKET NO. 2008-499



ROBERT J.S. HANF  
 PRESIDENT AND CHIEF OPERATING OFFICER

EFFECTIVE DATE: 01/01/2009