

Attachment A
to
Integrys Energy Service's Bid Price Proposal
And
Standard Offer Provider Standard Service Agreement
(Bangor Hydro-Electric Company, a Maine corporation ("BHE"))

Bidder Conditions

The offer to provide standard offer service by Integrys Energy Services, Inc. ("Integrys") at the prices described in its Bid Price Proposal is made subject to the acceptance by the Commission of the following conditions as expressly stated herein, without modification except upon the written agreement of Integrys.

The Commission's order designating Integrys as a standard offer provider (the "Provider") shall expressly incorporate each of the conditions stated herein (the "Order"). Upon such acceptance and designation, Integrys' resulting rights and obligations as Provider shall consist of (i) the applicable and material provisions of Maine law and regulations, and provisions of the RFP; (ii) the Order, incorporating the express conditions of this Bid Price Proposal; and (iii) the Standard Offer Provider Standard Service Agreement described below (collectively, the "Standard Offer Obligation"). With respect to the foregoing, in the event of any conflict or inconsistency between the terms and conditions of the Order and any other terms and conditions described above, the terms and provisions of the Order shall prevail and be given priority. Subject to the foregoing, the several documents and instruments forming the Standard Offer Obligation are to be taken as mutually explanatory of one another and in the case of ambiguities or discrepancies within or between such parts the same shall be explained and interpreted, if possible, in a manner which gives effect to each part and which avoids or minimizes conflicts among such parts.

- Proposal Expiration Date. January 12, 2009, 5 p.m. Eastern Prevailing Time

- Standard Offer Provider Standard Service Agreement. The named T&D shall execute, deliver and perform the Standard Offer Provider Standard Service Agreement and Entitlement Agreement between Bidder and T&D in the forms, as applicable, delivered to the

Commission with the Bid Price Proposal (the "SOP Agreement(s)") within twenty-four (24) hours after the Proposal Expiration Date.

- Entitlement Agreements. If Integrys is awarded the PERC Entitlements, the megawatt-hours ("MWh") of electricity received from the PERC Entitlements via the Entitlement Agreement shall be deemed to be considered eligible resource megawatt-hours for purposes of complying with Maine's renewable portfolio standards.
- Confidentiality of Bidder Identification. The Commission agrees not to reveal the identity of Integrys prior to the date which is two (2) weeks after the date of the Order designating Integrys as Provider.
- Increased Costs Associated With Change in Law. If the Maine legislature or the Commission enacts, promulgates, adopts, alters, modifies or waives¹ any law, rule or regulation that relates directly to the provision of standard offer service, or the provision of competitive electric service in general after the date hereof (a "Change in Law") and such Change in Law materially increases the Provider's cost to provide standard offer service, Provider shall recover such increased costs in accordance with paragraph (a) or paragraph (b) below, as applicable. Provider shall provide the Commission and, if applicable, the Maine Legislature with a calculation of its increased costs as soon as practicable after becoming aware of a Change in Law or consideration by the Commission or the Maine Legislature of a Change in Law. (a) If the Commission finds that Provider's calculation reasonably reflects its increased costs, the Commission shall increase the price of standard offer service paid by retail standard offer customers at the time a Change in Law becomes effective so that Provider recovers increased costs in accordance with Provider's calculation. (b) If the Commission does not find that Provider's calculation reasonably reflects its increased costs, the Commission may increase the price of standard offer service paid by retail customers such that the Provider recovers increased costs in accordance with the Commission's calculation. In this event, Provider may invoke binding arbitration of the increased cost amount by notice to the Commission. Any such arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except as otherwise provided herein.

¹ Except for opt-out fee waivers granted by the Commission pursuant to its January 24, 2001 "Order Adopting Rule and Statement of Factual and Policy Basis" (Docket No. 2000-904).

A final arbitration decision shall be rendered no later than ninety (90) days after the date on which Provider provides notice to the Commission that it has invoked arbitration. To the extent the arbitration panel finds that a change in law has increased the Provider's costs and that the Provider is entitled to a corresponding increase in the price of Standard Offer Service, the arbitration panel will have the authority to award the Provider a liquidated amount payable for service already provided at the increased cost.

Notwithstanding the foregoing, if upon receipt of reasonable prior direct notification of a proposed Change in Law, the Provider fails within the time prescribed in such notice to inform the Maine Legislature or the Commission, pursuant to applicable procedures identified in such notice, of the impact that a Change in Law under consideration would have on Provider's cost to provide standard offer service, Provider shall not be entitled to cause the Commission to undertake action with respect to its increased costs or to engage in arbitration proceedings with respect thereto as provided in clause (a) or (b) above.

- Termination by Provider. In the event of a default on the part of the T&D which results in termination of the SOP Agreement, or an unlawful or arbitrary action by the Maine legislature, governmental entity with jurisdiction in Maine or the Commission or other action by the Commission (other than as a result of a Provider Default) as a result of which Provider ceases to receive full compensation for standard offer service at the rate and upon the terms specified herein or Provider is removed as the standard offer provider or ceases to retain the right to provide standard offer service for the entire term specified herein, Provider shall have the right (among other remedies) to terminate its obligation to provide standard offer service, the exercise of which shall terminate all of Provider's SOP Obligations. The parties' payment of termination damages in the event of such a termination shall be calculated and recovered pursuant to the relevant liquidation provisions of the Comprehensive Credit Support and Final Settlement Calculation Agreement. For purposes of such calculation, Provider's loss shall not include any consequential or indirect damages.

- Termination by Commission. The unexcused occurrence of either of the following events shall constitute a "Provider Default": (i) Provider fails to satisfy its Load Asset obligations for the applicable Load Assets in the ISO-NE market settlement system (or its

equivalent obligations in any successor market settlement system), as a result of which the T&D or other third party is obligated to assume responsibility for all such market settlement obligations; or (ii) Provider fails to perform any other of its material obligations under the Standard Offer Obligation in accordance with the requirements thereof, and the Commission, after notice and opportunity to be heard, finds that the failure justifies removal of Provider as the standard offer provider, and all Provider's SOP Obligations shall terminate. In the event of a Provider Default, the T&D (subject to the Commission's approval) shall have the right (among other remedies) to terminate its obligation to accept standard offer service, the exercise of which shall terminate all of the T&D's obligations under the SOP Agreement. The parties' payment of termination damages in the event of such a termination shall be calculated and recovered pursuant to the relevant liquidation provisions of the Comprehensive Credit Support and Final Settlement Calculation Agreement.

Notwithstanding any provision to the contrary in the Standard Offer Obligation, the Commission shall not take any remedial action against the Provider as a result of a failure or default of Provider (including action(s) described in the RFP and Section 9 of Chapter 301) unless such event constitutes a Provider Default. Furthermore, the Commission shall not permit T&D to terminate the SOP Agreement or Entitlement Agreement as a result of a failure or default of Provider (including action(s) described in the RFP and Section 9 of Chapter 301) unless such event constitutes a Provider Default.

- Security. The Commission shall find that the form(s) of Guaranty(s) delivered to the Commission with the SOP Agreements is/are acceptable.

EXHIBIT

PERC Entitlement Prices March 1, 2009 through February 29, 2012:

Month	\$/kW-mo.	\$/MWH Peak	\$/MWh Off Peak
Mar-09	\$3.75	\$53.50	\$46.07
Apr-09	\$3.75	\$52.57	\$42.62
May-09	\$3.75	\$51.47	\$42.44
Jun-09	\$4.10	\$56.95	\$43.05
Jul-09	\$4.10	\$63.19	\$47.78
Aug-09	\$4.10	\$54.13	\$47.52
Sep-09	\$4.10	\$55.57	\$43.42
Oct-09	\$4.10	\$58.08	\$47.64
Nov-09	\$4.10	\$51.66	\$47.21
Dec-09	\$4.10	\$63.37	\$56.69
Jan-10	\$4.10	\$72.34	\$62.53
Feb-10	\$4.10	\$71.32	\$63.21
Mar-10	\$4.10	\$59.36	\$50.13
Apr-10	\$4.10	\$62.30	\$50.58
May-10	\$4.10	\$57.35	\$45.72
Jun-10	\$4.25	\$62.88	\$46.72
Jul-10	\$4.25	\$69.67	\$51.95
Aug-10	\$4.25	\$69.95	\$52.25
Sep-10	\$4.25	\$59.78	\$46.83
Oct-10	\$4.25	\$61.12	\$49.88
Nov-10	\$4.25	\$60.91	\$48.18
Dec-10	\$4.25	\$71.50	\$53.53
Jan-11	\$4.25	\$73.94	\$63.26
Feb-11	\$4.25	\$73.10	\$63.94
Mar-11	\$4.25	\$60.87	\$54.28
Apr-11	\$4.25	\$64.07	\$49.07
May-11	\$4.25	\$59.17	\$46.70
Jun-11	\$4.64	\$64.91	\$47.89
Jul-11	\$4.64	\$71.33	\$54.24
Aug-11	\$4.64	\$71.91	\$54.55
Sep-11	\$4.64	\$61.36	\$45.31
Oct-11	\$4.64	\$62.94	\$48.08
Nov-11	\$4.64	\$62.82	\$50.05
Dec-11	\$4.64	\$73.48	\$56.89
Jan-12	\$4.64	\$73.45	\$63.60
Feb-12	\$4.64	\$72.68	\$64.38

Average PERC Rate per MW for Term: \$61.90/ MWh

EXHIBIT

Diesel Entitlement Prices March 1, 2009 through February 28, 2011:

Month	\$/kW-mo.
Mar-09	\$4.63
Apr-09	\$4.64
May-09	\$4.63
Jun-09	\$8.12
Jul-09	\$8.11
Aug-09	\$8.11
Sep-09	\$8.12
Oct-09	\$5.57
Nov-09	\$5.58
Dec-09	\$5.57
Jan-10	\$5.57
Feb-10	\$5.60
Mar-10	\$5.57
Apr-10	\$5.58
May-10	\$5.57
Jun-10	\$6.75
Jul-10	\$6.74
Aug-10	\$6.74
Sep-10	\$6.75
Oct-10	\$5.75
Nov-10	\$5.76
Dec-10	\$5.75
Jan-11	\$5.75
Feb-11	\$5.78

Average Diesel Rate Per kW-month for Term: \$6.11 kW-month