

MEMORANDUM OF AGREEMENT

Between

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION 1837**

and

CENTRAL MAINE POWER COMPANY

ADMINISTRATIVE AND TECHNICAL SUPPORT BARGAINING UNIT

Effective July 1, 2011 through June 30, 2013

Subject to the approval of the membership of Local Union 1837 IBEW, Administrative and Technical Support Bargaining Unit (the "Union"), and Central Maine Power Company (the "Company") reached the following understandings for a Collective Bargaining Agreement effective July 1, 2011 through June 30, 2013, which has been recommended by the Union for membership ratification. The terms of the Collective Bargaining Agreement which was in effect from August 10, 2007 through June 30, 2011, shall continue in effect except as specifically changed by the terms of this Memorandum of Agreement.

**ARTICLE VII
WAGES AND RATE SCHEDULE**

Section 1. General Wage Increase – Modification

| Year | Payment Type | Date of Payment | Base Increase | Financial Objective | Base Increase | Lump Sum |
|------|----------------------|-----------------|---------------|--|---------------|----------------|
| 2011 | Base Wage Adjustment | July 1, 2011 | 3% | | | |
| 2012 | 2011 Variable Payout | June 30, 2012 | | 2011 EBITDA Satisfactory Good Excellent | | 1% 2% 3% |
| | Base Wage Adjustment | July 1, 2012 | 2% | | | |
| 2013 | 2012 Variable Payout | June 30, 2013 | | 2012 EBITDA Satisfactory | 1% | - |
| | | | | Good | - | 1% |
| | | | | Excellent | - | 2% |

The 2011 IUSA GAAP EBITDA Objective:

| | |
|--------------|---------------|
| Satisfactory | \$772,097,230 |
| Good | \$812,734,000 |
| Excellent | \$837,116,000 |

Company determines IUSA EBITDA on US GAAP basis

Wage schedules will be adjusted July 1, 2011 and then readjusted July 1, 2012 in accordance with base wage increases. Lump Sum amounts will be paid by June 30, 2012 and June 30, 2013 to all active employees on that date if EBITDA is met.

ARTICLE XII GRIEVANCES AND ARBITRATIONS

Step 1 – Modification

STEP 1

The Union shall present the grievance in writing to the immediate supervisor or manager of the affected department. If a grievance is not presented within fifteen (15) working days of knowledge of the event giving rise to the grievance, the grievance will be considered null and void.

ARTICLE XIII Funeral Leave

Paragraph 5. Modification

With supervisory approval, you may also take one day off with pay to serve as a pall bearer or to attend the funeral of a relative, co-worker, or retiree.

ARTICLE XV FORMS-JOB POSTINGS

Section 2. Paragraph 1 – Modification

When a regular position is created within the bargaining unit, or when a vacancy occurs therein which the Company decides to fill, the Company will (1) promptly send a copy of the notice to the Union, and (2) post notices thereof throughout the Company and on the Iberdrola USA Intranet for a period of seven (7) working days, exclusive of Saturday, Sunday and Holidays. Jobs will be posted and the Company will first consider qualified internal candidates. If no qualified internal candidates apply, the Company will then consider external candidates. If the job is not filled internally within forty-five (45) days from the removal date of the posting, such posting will be canceled. Employees selected to fill a job will, after such selection, be re-assigned to the new job within forty-five (45) days from the removal date of the posting, or will receive the applicable rate of the new job.

Section 2. Paragraph 2 - Modification

The Company will provide the Union with the names and scores of all applicants, and the name of the candidate who is offered and accepts the position. At the same time, the Company will notify all the internal applicants ~~of the person who accepts the position~~. These notices will be given prior to the candidate starting the job.

ARTICLE XIX BENEFITS

Section 1. – Deletion

- Eliminate “Employee Stock Purchase Plan”

Section 2. – Additions



- Life Insurance: 1 x annual base pay up to \$700,000
- Accidental Death and Dismemberment (AD&D): 1 x annual base pay up to \$700,000
- Travel Accident Insurance: 2 x annual base pay (minimum of \$100,000/maximum of \$500,000)

**ARTICLE XIX
BENEFITS**

Section 3: (this replaces Section 3 in its entirety)

MEDICAL AND PRESCRIPTION DRUG PROGRAM FOR ACTIVE EMPLOYEES

The Company and the Union agree to the following benefit program effective January 1, 2012 in which they can choose specific benefits and levels of benefits to meet their individual or family needs.

- Medical Plans –
 - PPO and Open Access HMO on same basis as the larger CMP IBEW Union Local #1837 (production unit)
 - Non-Union CDHP
- Vision Insurance
- Dental Insurance

The Company will utilize the following contribution methodology for the Union medical plan:

| | <u>Company Contribution</u> | <u>Employee Contribution</u> |
|-----------------|--|------------------------------------|
| PPO | 80% of monthly cost | 20% of monthly cost |
| Open Access HMO | 80% of monthly cost for PPO | Remainder of monthly cost for HMO |
| Nonunion CDHP | Remainder of monthly cost for the CDHP | 9% annual increase over prior year |

The Company agrees to cap the increase on the total premium rate that is used to calculate the employee monthly rate beginning with the 2012 plan year. The maximum increase for the total premium rates which are used for determining employee contribution rates are as follows:

2012: 10%
2013: 11%

Smoker Surcharge: A smoker surcharge of \$50.00 per month per employee will be added to the employee medical contribution rate if any persons covered by the employee's plan have smoked cigarettes, cigars or pipes or have used tobacco products in the six months prior to their election of medical coverage for the following year. All surcharge proceeds shall credit the overall cost of the medical plans when calculating rates.

Effective January 1, 2012 and for the term of the contract, the Prescription Drug Plan retail minimum and maximum and mail order copayments are as specified below:

| Type of Drug | Retail Pharmacy (Generally a 30-day supply) you pay 20% of the cost of the drug, subject to minimum and maximum co-payments | Mail Order (Generally a 90-day supply) you pay the flat dollar co-payment listed below | |
|--------------------------|--|---|------------|
| | Minimum Co-payment* | Maximum Co-payment | Co-payment |
| Generic | \$9 | \$27 | \$18 |
| Preferred Brand-name | \$20 | \$40 | \$60 |
| Non-preferred Brand-name | \$49 | \$72 | \$98 |

*Please note that if the actual total cost of your prescription is less than the minimum copayment for that tier, you will pay the actual total cost of your prescription.

Non-preferred brand drugs will have a generic or preferred brand equivalent. If there is no generic or preferred brand equivalent, the prescription will be filled subject to the preferred brand co-payment schedule.

Refer to your Benefits Handbook and annual decision guide and comparison of benefits chart for further details.

Dependent Coverage Definition: The definition of “dependent” used in the Benefits Handbook and annual decision guide and comparison of benefits chart in conjunction with the medical plan, dental plan and children’s life insurance will be children up until their 26th birthday. Coverage ends at 11:59 PM on the day of their 26th birthday.

Spousal Coverage Rule: The Spousal Coverage Rule will be in effect for all employees:

Spousal Coverage Rule – If your spouse works full-time (as defined by his or her employer) for a company that offers medical and/or dental coverage and the company shares in the cost of these coverages, your spouse must enroll in his or her employer’s plan first and that plan will be primary for your spouse. If you want, you can then enroll your spouse in the Company’s plans and the two plans will coordinate benefits.

DENTAL

Plan design remains unchanged with contributions below and a new plan administrator: Delta Dental.

| TIER | MONTHLY EMPLOYEE CONTRIBUTION | | |
|--------|-------------------------------|---------|---------|
| | 2011 | 2012 | 2013 |
| Single | \$7.48 | \$7.63 | \$7.78 |
| Dual | \$14.23 | \$14.52 | \$14.81 |
| Family | \$20.96 | \$21.38 | \$21.81 |

VISION

Plan design remains unchanged with contributions below.

| TIER | MONTHLY EMPLOYEE CONTRIBUTION | | |
|--------|-------------------------------|--------|--------|
| | 2011 | 2012 | 2013 |
| Single | \$1.38 | \$1.41 | \$1.44 |
| Dual | \$2.62 | \$2.67 | \$2.73 |
| Family | \$3.88 | \$3.95 | \$4.03 |

Section 4. For employees hired on or after July 1, 2011

- The company will not offer a defined benefit pension plan to new employees hired on or after July 1, 2011
- The company will not offer a Post-Retirement Medical Plan to new employees hired on or after July 1, 2011
- Savings and Investment Plan: once eligible, for new hires on or after July 1, 2011, the Company will match 150% of the first 6% of eligible pay the employee contributes to the plan
- Basic Life Insurance: 1x base salary up to a maximum of \$50,000
- Supplemental Life Coverage:
 - Employees can choose to purchase coverage through after-tax pay deductible for up to 4x annual base pay up to a maximum of \$1.5 million of life insurance coverage when combined with Basic Life Insurance. New hires may elect up to 3 x annual base pay to a maximum of \$300,000. (Amounts above \$300,000 are subject to Evidence of Insurability for new hires. Thereafter, increases of more than one increment of pay or increases of \$100,000 or more require Evidence of Insurability). Premium rates vary depending upon employee's age and smoking status.

Section 5. For Employees Hired before July 1, 2011:

Retirement Income Plan

- The company will offer a lump sum option; with lump sum equal to the present value of the accrued benefit payable at age 65.

Cartographers

The parties agree to have further discussions regarding the appropriate classification of the existing Cartographer I's within 6 months of the ratification of this agreement.

ECC Designer/Programmers

Will receive wage adjustment of \$2500.00 to their base salary effective July 1, 2011.

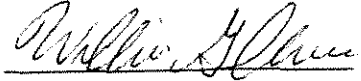


ARTICLE XXI
NOTICES

Paragraph 1. - Modification

Director of Human Resources
Labor Relations
Central Maine Power Company
83 Edison Drive
Augusta, Maine 04336

Local Union 1837, IBEW



Dated: July 1, 2011

Central Maine Power Company



Dated: July 1, 2011

