

A Preliminary List of Questions concerning the Costs and Benefits of a Merger of the Swan's Island Electric Cooperative with a larger utility such as Emera:

1. What would Electricity rates be for Emera customers on Swans Island and Frenchboro and how would they be calculated?

The rates would be the same as our other customers pay in the Bangor Hydro District.

2. What customer classifications would Emera establish on Swans Island and Frenchboro. (residential, commercial, non-resident, etc.) ?

Our rate classifications would be the same as for our Bangor Hydro District. We don't currently have non-resident or seasonal rates, but we have typical rate classifications for delivery service used by similar investor owned utilities (residential, commercial, industrial, depending on size). Our rate schedules are posted on our website:

<http://www.emeramaine.com/>

Added to these is the cost of power supply, like Standard Offer, which you are probably familiar with, but that information is posted on the MPUC website:

<http://www.state.me.us/mpuc/electricity/index.shtml>

3. What administrative and maintenance infrastructure, if any, would Emera establish or continue on Swan's Island and Frenchboro ?

We expect we would manage service from our administrative offices in Bangor, call centers in both Bangor and Presque Isle and maintenance out of regional facilities, of which Lamoine is probably the closest to you. Service would be equivalent to other similarly sized islands.

4. What personnel and equipment, if any, would Emera maintain or establish on Swan's Island or Frenchboro?

None, as noted above. We would not have dedicated personnel and equipment on the islands.

5. What would happen to the long term debt (\$1.8 million) owed by the SIEC to its Federal creditors, the Rural Utilities Service and the CFC ?

Our experience has been that we would not be able to assume that debt and would need to refinance the investment.

6. Assuming that the SIEC membership and Emera voted to proceed with a merger, what length of time would be required to effect the merger and what would be the legal costs to bring it about?

Our experience has been that an acquisition would be expected to take twelve to twenty four months to close. We don't know what it would cost, but believe that it would be greater than \$100,000.

7. In the event of storm-related damage and power outages, what priority could Swans Island and Frenchboro expect to receive in terms of crews being dispatched for repairs?

Swans Island and Frenchboro could expect to receive the same storm response as other areas with similar geography and customer density.

8. What interest or use might Emera have in supporting/benefitting from renewable energy project potential on Swans Island or Frenchboro?

We are very interested in supporting new generators through either the state or federal small generator interconnection process, including system impact studies. As far as benefits, we would need more information about what you have in mind in order to understand what these might be

9. Questions from Emera Maine?

Although more detailed information would have to be gathered before we could actually do a complete evaluation, our preliminary information request would be for the latest financial statements and any budgets and/or forecasts that you have, historical reliability statistics (such as SAIFI, CAIDI), and inspection reports or other studies of asset assessment.