



John W. Gulliver

One Monument Square
Portland, ME 04101

207-791-1296 voice
207-791-1350 fax
jgulliver@pierceatwood.com
pierceatwood.com

ELECTRONICALLY FILED ON January 10, 2008

Karen Geraghty
Administrative Director
Maine Public Utilities Commission
State House Station # 18
242 State Street
Augusta, ME 04333-0018

RE: CENTRAL MAINE POWER COMPANY AND MAINE NATURAL GAS CORPORATION, Reorganization/Acquisition of Energy East Corporation by IBERDROLA, S.A.; Docket No. 2007-355

THIS IS A VIRTUAL DUPLICATE OF THE ORIGINAL HARD COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

Dear Karen:

Enclosed for filing with the Commission are an original and one copy of the Stipulation in the above captioned matter. In accordance with the Commission's notice dated February 3, 2006, regarding the Filing of Stipulations with the Maine Public Utilities Commission, we provide the following information.

The parties joining the agreement represent a broad spectrum of interests. The Stipulation has been executed by Central Maine Power Company, FPL Energy Maine, Friends of the Coast, IBERDROLA, S.A., Independent Energy Producers of Maine, Industrial Energy Consumer Group, International Brotherhood of Electrical Workers Local #1837, Maine Natural Gas Corporation, and Office of the Public Advocate. The Stipulation is opposed by no party. Although Maine Public Service Company ("MPS") has not executed the Stipulation, we understand from its counsel that MPS will make a separate letter filing with the Commission indicating that MPS has no objection to the Stipulation. Counsel for Bangor Gas Company, LLC has indicated that Bangor Gas participated in the proceeding solely in a monitoring role and takes no position on the Stipulation. Finally, on January 9, 2008, Bangor Hydro-Electric Company ("BHE") filed a letter with the Commission requesting leave to withdraw as a party from the case and has expressed no view on the Stipulation. As of the date of this filing, the Commission has not yet ruled on BHE's motion so BHE remains a party, but based on that motion, Petitioners obviously will not seek to obtain BHE's signature on the Stipulation.

Karen Geraghty

1/10/2008

Page 2

The process applied in reaching this Stipulation was fair to all parties. Specifically, all parties were invited on several occasions to participate in settlement discussions, and all but a few actively participated. The parties engaged in multiple settlement conferences over the course of approximately one month. The result is a comprehensive Stipulation that addresses issues raised and agreed upon by a broad spectrum of participants with varied interests and perspectives, including the interests of Maine consumers (OPA), industrial customers (IECG), generators (FPL and IEPM), labor (IBEW), and environmental groups (FOTC). The Petitioners appreciate the significant efforts of the Commission's Staff in coordinating this diverse group of participants, both through the proceeding and the settlement discussions, and greatly assisting in the culmination of this comprehensive Stipulation.

The parties have agreed to allow the Commission staff to make a recommendation to the Commissioners concerning the stipulation without a Hearing Examiner's Report, thereby waiving the requirements of 5 M.R.S.A. § 9062 and Chapter 110 § 752 of the Commission's rules.

The Stipulation resolves all the issues in this proceeding. The parties have agreed to a number of reporting commitments, financial protections, provisions to create additional ratepayer value, conditions on affiliate transactions, commitments regarding corporate governance and service quality, provisions related to Central Maine Power Company's continued participation in ISO-NE and future investments in transmission, commitments regarding Maine Yankee Atomic Power Company and competitive parity for generation.

The Stipulation provisions are in the public interest because the proposed acquisition of Energy East, and Energy East's subsidiaries, Central Maine Power Company and Maine Natural Gas Corporation, by IBERDROLA is consistent with the interests of the Central Maine Power Company's and Maine Natural Gas Corporation's ratepayers and investors. Further, as reflected above, the Stipulation represents a broad spectrum of interests, all parties have had a full and fair opportunity to participate in the settlement process, and the stipulated result is reasonable and not contrary to any legislative mandate. The Commission has the authority to adopt the Stipulation provisions pursuant to 35-A M.R.S.A. § 708. The Stipulation contains no departures from Commission precedent.

Petitioners and IBERDROLA respectfully request that the Commission expedite its consideration of this Stipulation and approve it as soon as reasonably possible. Expedited treatment is necessary in this instance in order to satisfy the statutory provisions of 35-A M.R.S.A. § 708.

Karen Geraghty
1/10/2008
Page 3

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Gulliver". The signature is written in a cursive style with a large initial "J" and a distinct "W".

John W. Gulliver

Enclosure

cc: Service List