

# **Central Maine Power Company and Subsidiaries**

Consolidated Financial Statements (Unaudited)  
For the quarterly periods ended September 30, 2011 and 2010

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**September 30, 2011 and 2010**

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Central Maine Power Company  
Consolidated Statements of Income (Unaudited)

Periods ended September 30,	Three Months		Nine Months	
	2011	2010	2011	2010
(Thousands)				
<b>Operating Revenues</b>				
Sales and services	\$165,458	\$150,583	\$446,569	\$410,201
<b>Operating Expenses</b>				
Electricity purchased	18,327	17,003	51,673	54,332
Other operating expenses	54,646	55,659	160,601	166,871
Maintenance	14,487	14,486	45,797	41,319
Depreciation and amortization	11,209	10,985	33,063	32,548
Other taxes	4,947	4,622	14,209	12,900
<b>Total Operating Expenses</b>	<b>103,616</b>	<b>102,755</b>	<b>305,343</b>	<b>307,970</b>
<b>Operating Income</b>	<b>61,842</b>	<b>47,828</b>	<b>141,226</b>	<b>102,231</b>
<b>Other (Income)</b>	<b>(2,137)</b>	<b>(1,066)</b>	<b>(4,376)</b>	<b>(2,328)</b>
<b>Other Deductions</b>	<b>142</b>	<b>77</b>	<b>378</b>	<b>3,613</b>
<b>Interest Charges, Net</b>	<b>9,525</b>	<b>8,173</b>	<b>26,490</b>	<b>24,622</b>
<b>Income Before Income Taxes</b>	<b>54,312</b>	<b>40,644</b>	<b>118,734</b>	<b>76,324</b>
<b>Income Taxes</b>	<b>14,117</b>	<b>14,767</b>	<b>38,855</b>	<b>28,543</b>
<b>Net Income</b>	<b>40,195</b>	<b>25,877</b>	<b>79,879</b>	<b>47,781</b>
<b>Less: Net Income Attributable to Noncontrolling Interest</b>	<b>(54)</b>	<b>16</b>	<b>96</b>	<b>268</b>
<b>Net Income Attributable to CMP</b>	<b>40,249</b>	<b>25,861</b>	<b>79,783</b>	<b>47,513</b>
<b>Preferred Stock Dividends</b>	<b>33</b>	<b>29</b>	<b>99</b>	<b>225</b>
<b>Earnings Available for CMP Common Stock</b>	<b>\$40,216</b>	<b>\$25,832</b>	<b>\$79,684</b>	<b>\$47,288</b>

Central Maine Power Company  
Consolidated Statements of Comprehensive Income (Unaudited)

Periods ended September 30,	Three Months		Nine Months	
	2011	2010	2011	2010
(Thousands)				
<b>Net Income</b>	<b>\$40,195</b>	<b>\$25,877</b>	<b>\$79,879</b>	<b>\$47,781</b>
<b>Other Comprehensive Income, Net of Tax</b>	<b>179</b>	<b>371</b>	<b>832</b>	<b>855</b>
<b>Comprehensive Income</b>	<b>40,374</b>	<b>26,248</b>	<b>80,711</b>	<b>48,636</b>
<b>Less: Comprehensive Income Attributable to Other Noncontrolling Interest</b>	<b>(54)</b>	<b>16</b>	<b>96</b>	<b>268</b>
<b>Comprehensive Income Attributable to CMP</b>	<b>\$40,428</b>	<b>\$26,232</b>	<b>\$80,615</b>	<b>\$48,368</b>

**Central Maine Power Company**  
**Consolidated Balance Sheets (Unaudited)**

	September 30, 2011	December 31, 2010
<b>(Thousands)</b>		
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$3,841	\$23,025
Accounts receivable and unbilled revenues, net	133,912	131,293
Accounts receivable from affiliates	1,592	1,196
Materials and supplies, at average cost	11,343	10,221
Deferred income taxes	6,702	6,191
Accrued taxes	44,465	2,770
Prepayments and other current assets	13,530	12,275
<b>Total Current Assets</b>	<b>215,385</b>	<b>186,971</b>
<b>Utility Plant, at Original Cost</b>		
Electric	1,898,651	1,783,554
Less accumulated depreciation	623,167	601,285
<b>Net Utility Plant in Service</b>	<b>1,275,484</b>	<b>1,182,269</b>
Construction work in progress	419,808	238,759
<b>Total Utility Plant</b>	<b>1,695,292</b>	<b>1,421,028</b>
<b>Other Property and Investments</b>	<b>10,945</b>	<b>11,784</b>
<b>Regulatory and Other Assets</b>		
Regulatory assets		
Nuclear plant obligations	23,559	27,886
Unfunded future income taxes	214,417	215,325
Other postretirement employee benefits	9,990	12,428
Pension and other postretirement benefits	167,310	172,624
Other	62,801	47,160
<b>Total regulatory assets</b>	<b>478,077</b>	<b>475,423</b>
Other assets		
Goodwill	324,938	324,938
Other	17,450	17,585
<b>Total other assets</b>	<b>342,388</b>	<b>342,523</b>
<b>Total Regulatory and Other Assets</b>	<b>820,465</b>	<b>817,946</b>
<b>Total Assets</b>	<b>\$2,742,087</b>	<b>\$2,437,729</b>

**Central Maine Power Company**  
**Consolidated Balance Sheets (Unaudited)**

	September 30, 2011	December 31, 2010
<b>(Thousands)</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$55,327	\$27,767
Notes payable	1,700	-
Accounts payable and accrued liabilities	129,396	101,853
Accounts payable, construction	42,763	37,176
Accounts payable to affiliates	15,473	9,938
Interest accrued	6,069	6,796
Taxes accrued	8,566	13,948
Other	63,728	56,756
<b>Total Current Liabilities</b>	<b>323,022</b>	<b>254,234</b>
<b>Regulatory and Other Liabilities</b>		
Regulatory liabilities		
Accrued removal obligation	105,362	106,208
Deferred income taxes	138,769	135,308
Pension benefit	16,774	22,845
Other	16,922	10,203
Total regulatory liabilities	277,827	274,564
Other liabilities		
Deferred income taxes	310,103	220,783
Nuclear plant obligations	15,472	21,130
Pension and other postretirement benefits	186,802	211,058
Other	25,943	29,003
Total other liabilities	538,320	481,974
<b>Total Regulatory and Other Liabilities</b>	<b>816,147</b>	<b>756,538</b>
Long-term debt	555,227	459,862
<b>Total Liabilities</b>	<b>1,694,396</b>	<b>1,470,634</b>
<b>Commitments and Contingencies</b>		
<b>Preferred Stock</b>		
Preferred stock	2,661	2,661
<b>Common Stock Equity</b>		
Common stock	156,057	156,057
Capital in excess of par value	564,867	564,867
Retained earnings	334,871	255,187
Accumulated other comprehensive loss	(11,675)	(12,507)
<b>Total CMP Common Stock Equity</b>	<b>1,044,120</b>	<b>963,604</b>
<b>Noncontrolling Interest</b>	<b>910</b>	<b>830</b>
<b>Total Equity</b>	<b>1,045,030</b>	<b>964,434</b>
<b>Total Liabilities and Equity</b>	<b>\$2,742,087</b>	<b>\$2,437,729</b>

**Central Maine Power Company**  
**Consolidated Statements of Cash Flows (Unaudited)**

<b>Nine months ended September 30,</b>	<b>2011</b>	<b>2010</b>
<small>(Thousands)</small>		
<b>Operating Activities</b>		
Net income	<b>\$79,879</b>	\$47,513
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	<b>36,654</b>	32,548
Amortization of regulatory and other assets and liabilities	<b>4,515</b>	3,201
Federal income taxes and investment tax credits deferred, net	<b>92,604</b>	21,634
Pension expense	<b>7,896</b>	9,071
Changes in current operating assets and liabilities		
Accounts receivable and unbilled revenues, net	<b>(3,015)</b>	7,844
Materials and supplies	<b>(1,123)</b>	(761)
Prepayments and other current assets	<b>63</b>	(12,998)
Accounts payable and accrued liabilities	<b>33,077</b>	10,411
Interest accrued	<b>(727)</b>	(1,891)
Taxes accrued	<b>(58,275)</b>	2,301
Other current liabilities	<b>5,960</b>	7,880
Pension and other postretirement contributions	<b>(25,077)</b>	(17,995)
Other assets		
Preliminary survey	<b>(13,106)</b>	(20,247)
Other	<b>(5,177)</b>	26,207
Other liabilities	<b>14,344</b>	(19,054)
<b>Net Cash Provided by Operating Activities</b>	<b>168,492</b>	95,664
<b>Investing Activities</b>		
Utility plant additions	<b>(336,599)</b>	(113,584)
Grants received from governmental entities	<b>24,410</b>	-
Investments	<b>(28)</b>	585
<b>Net Cash Used in Investing Activities</b>	<b>(312,217)</b>	(112,999)
<b>Financing Activities</b>		
Issuances of first mortgage bonds	<b>150,000</b>	-
Long-term note repayments	<b>(27,044)</b>	(2,021)
Notes payable three months or less, net	<b>1,700</b>	11,750
Dividends preferred stocks	<b>(16)</b>	(225)
Dividends paid to noncontrolling interest	<b>(99)</b>	(2,405)
<b>Net Cash Provided by Financing Activities</b>	<b>124,541</b>	7,099
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(19,184)</b>	(10,236)
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>23,025</b>	12,005
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$3,841</b>	\$1,769

**Central Maine Power Company**  
**Consolidated Statement of Changes in Common Stock Equity (Unaudited)**

(Thousands)	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated	Noncon- trolling interest	Total
	Outstanding \$5 Par Value Shares	Amount			Comprehensive Loss		
Balance, January 1, 2011	31,211	\$156,057	\$564,867	\$255,187	(\$12,507)	\$830	\$964,434
Net income attributable to CMP				79,783		96	79,879
Other comprehensive income, net of tax Comprehensive income					832		832 80,711
Dividends declared, preferred stock				(99)		(16)	(115)
<b>Balance, September 30, 2011</b>	<b>31,211</b>	<b>\$156,057</b>	<b>\$564,867</b>	<b>\$334,871</b>	<b>(\$11,675)</b>	<b>\$910</b>	<b>\$1,045,030</b>