

**CENTRAL MAINE POWER COMPANY
RESPONSE TO COMPETITIVE ENERGY SERVICES' DATA REQUEST NO. 5
DOCKET No. 2008-255**

July 8, 2009

CES-05-02

Q. As a NEPOOL Participant we assume that CMP has received the ISO New England Regional Electricity Outlook: 2008 Financial Report. The cover of that report has a quote that reads, "The days of seeing the bulk electric power grid as a massive system of rigid infrastructure are coming to a close." This quote is the opening sentence of the remarks of Mr. O'Reilly, Chairman of the Board of ISO-NE – see page 2. Does CMP agree with this statement? If not, please explain why not.

A. In his remarks, Mr. O'Reilly states that the new power grid will continue to be steel and copper, but that it will also be wireless and green. He also states that the grid of the future will be defined by attributes such as reliability, efficiency, resiliency, responsiveness, quality and involvement. His full remarks are attached.

The ISO-NE Regional System Plan, pursuant to OATT Attachment K and required for compliance with FERC's 819 Order, provides a detailed report on the regional electric system, short-term and long-term system assessment (needs and solutions), and, in particular, the importance of the MPRP Project for reliability in Maine. The MPRP Project will provide the reliable, resilient and responsive platform described in Mr. O'Reilly's vision of the bulk electric power grid.

Response Prepared By:

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Response Submitted By:

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Paul A. Dumais
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Attachment(s):

- 1.** "It's in Our Character" by V.M. O'Reilly from ISO New England Regional Electricity Outlook: 2008 Financial Report

It's in Our Character



Vincent M. O'Reilly
Chairman of the Board

The days of seeing the bulk electric power grid as a massive system of rigid infrastructure are coming to a close. We're quickly witnessing the rise of a new power grid that is steel and copper but is also wireless and green. It has thousands of disparate parts, some big and some small, some simple and some complex, and some that have yet to be invented.

How do you characterize the grid of the future? It can be defined by attributes such as reliability, efficiency, resiliency, responsiveness, quality, and involvement.

Reliability is a given—a mainstay of the grid for 40 years. But the future grid has to be cost effective, regardless of mounting material and technological costs. It must be resilient to take advantage of rapid innovation, equally responsive to the variability of new resources, and designed using ingenuity and collaboration. What's more, its interconnectivity to thousands of additional inputs will require much greater levels of involvement from the buyers and sellers of electricity than the grid of yesteryear that was run by a small number of utilities.

As the region's system operator, ISO New England possesses a similar character to that of the future grid. Of course, we strive to provide reliable, high-quality services—for the past decade we have kept the lights on and fostered increasingly competitive markets that have yielded plentiful benefits. We run our business efficiently, keeping costs in check while continuously taking on more complex responsibilities. We embody resiliency so that we may continue to ensure power system reliability and competitive markets amid an ever-changing political and technological landscape. Finally, we are responsive to each diverse stakeholder and are actively involved in helping to make industry innovations and consumer aspirations become reality.

No matter how different the grid of the future looks, it still will be an interconnected network and so will the people who operate it, own its parts, set policies around it, and benefit from it. We will all play a role in defining and creating it. The board of directors and I are confident that the people of ISO New England have the character and fortitude to keep grid and market operations advancing in step with the needs and goals of our region.

Sincerely,

V M O'Reilly