APPENDIX C
DRAINAGE CALCULATIONS

THE Louis Berger Group, INC.
1001 Elm Street, Suite 300
Manchester, NH 03101

LOUIS BERGER GROUP

BY JSD	DATE 1-24-2004	SHEET NO. 1 OF 1
CHKD. BY LDA	DATE 2-2-2004	PROJECT CM 1431
SUBJECT Fore River Sub Station Existing Drainage Area		

Note! The entire parce drains to the catch basin located in the west commercial street ROW

Subcatchment #1

Total Area = 23,756 SF

Pavement = 5834 + 187 = 6021 SF

Roof = 861 + 944 + 183 = 1988 SF

Gravel = Ø

Grass = 23,756 - 6021 - 1988 = 15,747 SF

Fore River Sub Station
Predevelopment Flows
January 24, 2004

Subcatchment 1

Description	Area (SF)	Area (Ac)	Area (%)	"C"
Pavement	6,021	0.138	25.35	0.90
Roof	1,988	0.046	8.37	0.90
Gravel	0	0.000	0.00	0.70
Grass	15,747	0.362	66.29	0.20

Total Area (SF) = 23,756
Total Area (Ac) = 0.545 **= A**
Weighted "C" = 0.436 **= C**

Tc (min) = 5.00

Intensity (2 yr) = 3.95 **= i**
Intensity (10 yr) = 5.40 **= i**
Intensity (25 yr) = 6.20 **= i**

Q_2 (cfs) = CiA = 0.94

Q_{10} (cfs) = CiA = 1.28

Q_{25} (cfs) = CiA = 1.47

LOUIS BERGER GROUP

BY SJSD	DATE 1-24-2004	SHEET NO. 1 OF
CHKD. BY LDA	DATE 2-2-04	PROJECT CM 1431
SUBJECT Fore River Sub Station Post Development Drainage Areas		

Area Draining to Oil Safety Sump (Subcatchment 1)

Total Area = 2,100 SF (Concrete)

Area Draining to Existing CB (Subcatchment 2)

Total Area = 23756 - 2100 = 21,656 SF

Gravel = 5,921
Pavement = 3,200
Roof = 750
Grass = 21,656 - 5921 - 3200 - 750 = 11,785

Fore River Sub Station
Post Development Flows
January 24, 2004

Subcatchment 1

Description	Area (SF)	Area (Ac)	Area (%)	"C"
Pavement	3,200	0.073	14.78	0.90
Roof	750	0.017	3.46	0.90
Gravel	5,921	0.136	27.34	0.70
Grass	11,785	0.271	54.42	0.20

Total Area (SF) = 21,656
Total Area (Ac) = 0.497 **= A**
Weighted "C" = 0.464 **= C**

Tc (min) = 5.00

Intensity (2 yr) = 3.95 **= i**
Intensity (10 yr) = 5.40 **= i**
Intensity (25 yr) = 6.20 **= i**

Q_2 (cfs) = CiA = 0.91

Q_{10} (cfs) = CiA = 1.25

Q_{25} (cfs) = CiA = 1.43

Fore River Sub Station
Post Development Flows
January 24, 2004

Subcatchment 2

Description	Area (SF)	Area (Ac)	Area (%)	"C"
Pavement	2,100	0.048	100.00	0.90
Roof	0	0.000	0.00	0.90
Gravel	0	0.000	0.00	0.70
Grass	0	0.000	0.00	0.20

Total Area (SF) = 2,100
Total Area (Ac) = 0.048 **= A**
Weighted "C" = 0.900 **= C**

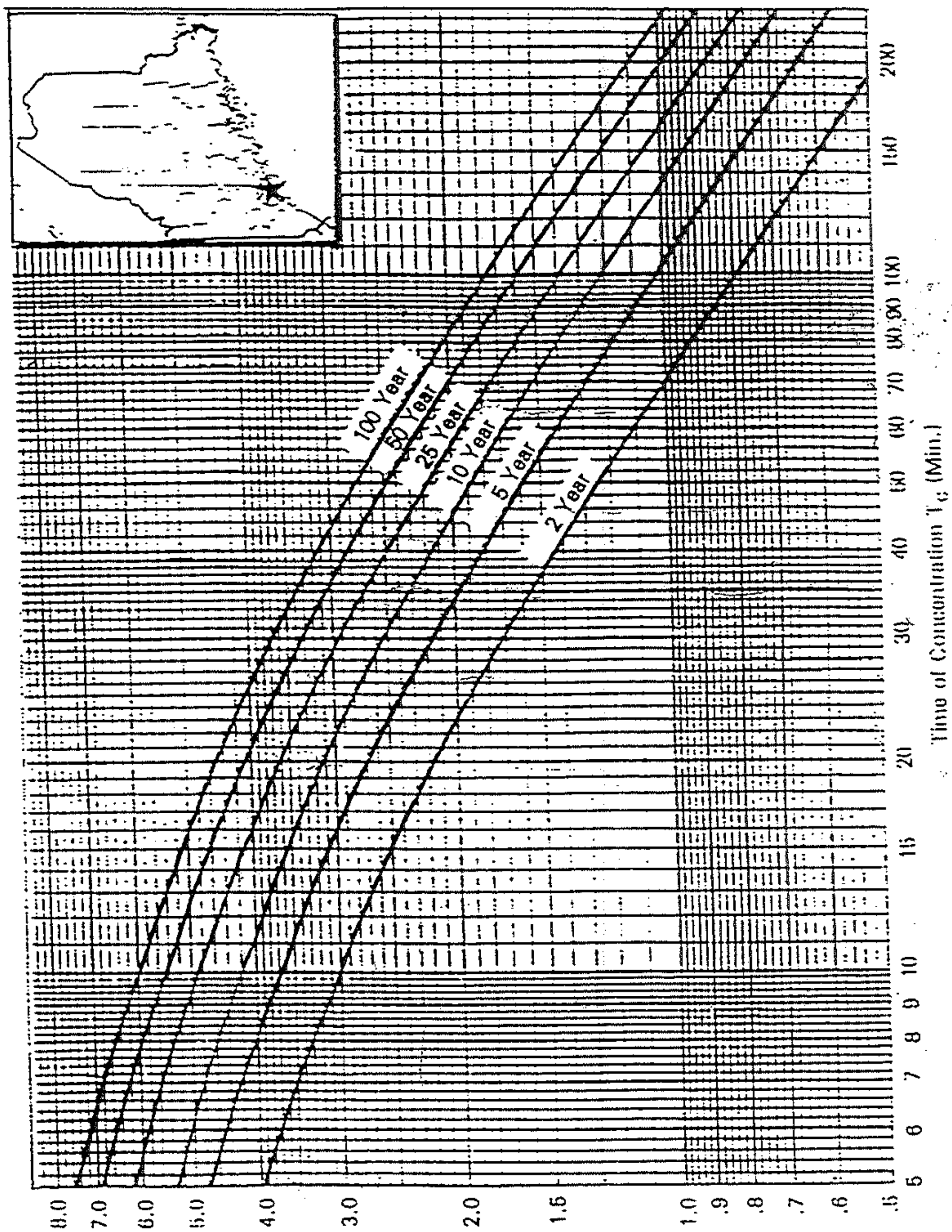
Tc (min) = 5.00

Intensity (2 yr) = 3.95 **= i**
Intensity (10 yr) = 5.40 **= i**
Intensity (25 yr) = 6.20 **= i**

Q_2 (cfs) = CiA = 0.17

Q_{10} (cfs) = CiA = 0.23

Q_{25} (cfs) = CiA = 0.27



$T_c = 5$ min

$i_{2yr} = 3.95$ in/hr

$i_{10yr} = 5.40$ in/hr

$i_{25yr} = 6.20$ in/hr

IDF CURVE FOR CITY OF PORTLAND
(Rational Method)

Figure 12-12

Appendix 3

Central Maine Power Financial Information

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark one)
X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2002**

OR

_ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______

Commission file number	Exact name of Registrant as specified in its charter, State of incorporation, Address and Telephone number	IRS Employer Identification No.
1-14766	**Energy East Corporation** (A New York Corporation) P. O. Box 12904 Albany, New York 12212-2904 (518) 434-3049 **www.energyeast.com**	**14-1798693**
1-5139	**Central Maine Power Company** (A Maine Corporation) 83 Edison Drive Augusta, Maine 04336 (207) 623-3521	**01-0042740**
1-3103-2	**New York State Electric & Gas Corporation** (A New York Corporation) P. O. Box 3287 Ithaca, New York 14852-3287 (607) 347-4131	**15-0398550**
1-672	**Rochester Gas and Electric Corporation** (A New York Corporation) 89 East Avenue Rochester, New York 14649 (585) 546-2700	**16-0612110**

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Name of each exchange on which registered
Energy East Corporation	**Common Stock (Par Value $.01)**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of each class
Central Maine Power Company	**6% Preferred Stock (Par Value $100)**
Central Maine Power Company	**Dividend Series Preferred Stock (Par Value $100):**
	3.50% Series
	4.60% Series
	4.75% Series
	5.25% Series
New York State Electric & Gas Corporation	**Cumulative Preferred Stock (Par Value $100):**
	3.75% Series
	4½% Series (Series 1949)
	4.40% Series
	4.15% Series (Series 1954)

Securities registered pursuant to Section 12(g) of the Act (continued):

Registrant	Title of each class
Rochester Gas and Electric Corporation	**Preferred Stock (Par Value $100):**
	4% Series F
	4.10% Series H
	4.75% Series I
	4.95% Series K
	4.55% Series M
	4.10% Series J
	6.60% Series V

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of each registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Registrant		
Energy East Corporation	Yes X	No ____
Central Maine Power Company	Yes ____	No X
New York State Electric & Gas Corporation	Yes ____	No X
Rochester Gas and Electric Corporation	Yes ____	No X

The aggregate market value as of June 30, 2002, of the common stock held by nonaffiliates of Energy East Corporation was $3,265,861,929.

As of February 14, 2003, shares of common stock outstanding for each registrant were:

Registrant	Description	Shares
Energy East Corporation	Par value $.01 per share	144,992,967
Central Maine Power Company	Par value $5 per share	31,211,471 (1)
New York State Electric & Gas Corporation	Par value $6.66 2/3 per share	64,508,477 (2)
Rochester Gas and Electric Corporation	Par value $5 per share	34,506,513 (2)

(1) All shares are owned by CMP Group, Inc., a wholly-owned subsidiary of Energy East Corporation.
(2) All shares are owned by RGS Energy Group, Inc., a wholly-owned subsidiary of Energy East Corporation.

DOCUMENTS INCORPORATED BY REFERENCE

Document	10-K Part
Energy East Corporation has incorporated by reference certain portions of its Proxy Statement, which will be filed with the Commission on or before April 30, 2003.	III

This combined Form 10-K is separately filed by **Energy East Corporation, Central Maine Power Company, New York State Electric & Gas Corporation** and **Rochester Gas and Electric Corporation.** Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants.

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PART III

Item 8. Financial statements and supplementary data

Index to 2002 Financial Statements

Item 9. Changes in and disagreements with accountants on accounting and financial disclosure

None for Energy East, CMP, NYSEG or RG&E.

Selected Financial Data

Central Maine Power Company

				Predecessor		
(Thousands)	2002	2001	From Acquisition 2000	To Acquisition 2000	1999	1998
Operating Revenues	$653,521	$815,050	$277,518	$613,475	$954,463	$941,530
Depreciation and amortization	$38,793	$36,537	$13,830	$23,661	$49,517	$56,257
Other taxes	$24,172	$20,925	$6,621	$12,961	$22,291	$27,747
Interest Charges, Net	$28,584	$27,338	$8,506	$31,072	$53,175	$51,014
Net Income	$54,933	$54,440	$23,651	$29,878	$68,740	$54,823
Capital Spending	$37,985	$46,273	$23,031	$56,026	$65,097	$42,384
Total Assets	$1,786,323	$1,865,800	$1,928,797	-	$1,946,757	$2,223,480
Long-term Obligations, Capital Leases and Redeemable Preferred Stock	$291,796	$235,133	$222,309	-	$121,096	$362,744

Management's discussion and analysis of financial condition and results of operations

Central Maine Power Company

Liquidity and Capital Resources

Restructuring

See Energy East's Item 7, Restructuring, for this discussion.

Electric Delivery Business

CMP's electric delivery business consists of its regulated electricity transmission and distribution operations.

Regional Transmission Organization: See Energy East's Item 7, Electric Delivery Business, for this discussion.

Transmission Planning and Expansion: See Energy East's Item 7, Electric Delivery Business, for this discussion.

Electric Transmission Rates : See Energy East's Item 7, Electric Delivery Business, for this discussion.

Sale of Nuclear Interests: See Energy East's Item 7, Electric Delivery Business, for the discussion of the sale of Vermont Yankee.

CMP Alternative Rate Plan: See Energy East's Item 7, Electric Delivery Business, for this discussion.

CMP Electricity Supply Responsibility: See Energy East's Item 7, Electric Delivery Business, for this discussion.

Central Maine Power Company

MPUC Stranded Cost Proceeding: See Energy East's Item 7, Electric Delivery Business, for this discussion.

Nonutility Generation: CMP expensed approximately $211 million for NUG power in 2002. It estimates that its NUG purchases will total $216 million in 2003, $215 million in 2004, $219 million in 2005, $166 million in 2006 and $154 million in 2007. CMP continues to seek ways to provide relief to its customers from above-market NUG contracts that state regulations ordered it to sign, and which, in 2002, averaged 8.7 cents per kilowatt-hour. Recovery of these NUG costs is provided for in CMP's current regulatory plans. (See Item 8 - Note 8 to CMP's Consolidated Financial Statements.)

Other Matters

Accounting Issues

Statement 71: See Energy East's Item 7, Other Matters, Statement 71, for this discussion.

Statement 145: See Energy East's Item 7, Other Matters, Statement 145, for this discussion.

Contractual Obligations and Commercial Commitments

At December 31, 2002, CMP's contractual obligations and commercial commitments that will become due during the next five years are:

(Thousands)	2003	2004	2005	2006	2007
Contractual Obligations					
Long-term debt	$51,182	$11,112	$21,183	$41,183	$16,183
Capital lease obligations	1,793	1,807	1,823	1,564	1,355
Operating leases	3,425	3,386	3,246	3,202	3,202
Nonutility generator purchase power obligations	215,775	214,860	219,273	165,716	153,686
Nuclear plant obligations	30,094	41,251	42,135	36,278	32,861
Other long-term obligations	7,096	6,560	7,084	5,231	4,321
Total contractual cash obligations	$309,365	$278,976	$294,744	$253,174	$211,608
Other Commercial Commitments					
Lines of credit	$75,000	$75,000	$75,000	-	-
Total commercial commitments	$75,000	$75,000	$75,000	-	-

CMP has a revolving credit facility, which is secured by its accounts receivable, in which it covenants that (i) its consolidated total debt shall at all times be no more than 65% of the sum of its consolidated total debt and its total stockholders equity, and (ii) as of the end of any fiscal quarter CMP's ratio of earnings before interest expense, income taxes and preferred stock dividends to interest expense shall have been at least 1.75 to 1.00. Continued unremedied failure to comply with either covenant for 30 days after such event has occurred constitutes an event of default and would result in acceleration of maturity. At December 31, 2002, CMP's consolidated total debt ratio was 33.6% and its interest coverage ratio was 3.73 to 1.00.

Central Maine Power Company

Critical Accounting Policies

See Energy East's Item 7, Critical Accounting Policies for the discussion of Goodwill and Other Intangible Assets, Pension and Other Postretirement Benefit Plans and Utility Regulation.

Investing and Financing Activities

Investing Activities: Capital spending totaled $38 million in 2002, $46 million in 2001 and $79 million in 2000 (including $23 million from acquisition and $56 million to acquisition), including nuclear fuel. Capital spending in all three years was financed with internally generated funds and was primarily for the extension of energy delivery service, necessary improvements to existing facilities and compliance with environmental requirements and governmental mandates.

Capital spending is projected to be $42 million in 2003. It is expected to be paid for with internally generated funds and will be primarily for the same purposes described above and merger integration. (See Item 8 - Note 8 to CMP's Consolidated Financial Statements.)

CMP's pension plans generated pretax noncash pension expense (net of amounts capitalized) of $2 million in 2002, compared to less than $1 million in 2001 and $1 million of pretax noncash pension income (net of amounts capitalized) in 2000. CMP expects noncash pension expense (net of amounts capitalized) for 2003 to increase, affecting earnings by approximately $2 million. The increase is due to the significant equity market declines over the past several years and revised actuarial assumptions including the discount rate used to compute its pension liability (reduced from 7% to 6.5% as of December 31, 2002) and return on assets (reduced from 9% to 8.75% effective January 1, 2003). CMP estimates funding requirements of $5 million to $10 million in 2003 as total plan assets are less than the projected benefit obligation. CMP is currently unable to predict the effect that future equity market performance will have on pension income for 2004 and beyond. (See Item 8 - Note 13 to CMP's Consolidated Financial Statements.)

Financing Activities: In January 2002 CMP cancelled its shares of treasury stock, which had a carrying value of $19 million, and restored the shares to the status of authorized but unissued shares of common stock of the corporation.

CMP issued the following Series E Medium Term Notes, the proceeds of which were used to repay $50 million of maturing medium-term notes, as well as short-term debt and for general corporate purposes in 2002: in May 2002 - $37.5 million, 6.50%, due May 2009 and $37.5 million, 6.65%, due May 2012; in August 2002 - $15 million, 5.70%, due August 2012; in September 2002 - $15 million, 4.25%, due September 2007; and in November 2002 - $15 million, quarterly adjustable rate based on the three month LIBOR plus 0.6%, due January 2006.

CMP has a three-year credit facility, secured by its accounts receivable, that expires in December 2005. The facility provides for maximum borrowings of $75 million. CMP uses short-term borrowings and drawings on its credit facility to provide initial financing for construction and for other corporate purposes. There was no such short-term debt outstanding at

December 31, 2002, and $47 million outstanding at December 31, 2001. The weighted-average interest rate on short-term debt was 2.5% at December 31, 2001.

Management's discussion and analysis of financial condition and results of operations

Central Maine Power Company

Results of Operations

(Thousands)	2002	2001	2000	2002 over 2001 Change	2001 over 2000 Change
Deliveries - Megawatt-hours					
Retail	**8,709**	9,284	9,815	(6%)	(5%)
Wholesale	**2,555**	3,333	3,301	(23%)	1%
Operating Revenues	**$653,521**	$815,050	$890,993	(20%)	(9%)
Operating Expenses	**$549,974**	$701,306	$794,926	(22%)	(12%)
Operating Income	**$103,547**	$113,744	$96,067	(9%)	18%
Earnings Available for Common Stock	**$53,491**	$52,998	$51,492	1%	3%

Earnings for 2002 increased less than $1 million primarily due to the elimination of goodwill amortization in 2002 of $9 million, offset by a restructuring charge of $3 million and the cessation of amortization for the voluntary earnings credit of $6 million.

Earnings for 2001 increased $2 million, primarily due to cost control efforts.

Operating Revenues: The $161 million decrease in operating revenues for 2002 is primarily because CMP is no longer the standard-offer provider for the supply of electricity effective March 2002, which reduced revenues $138 million.

Operating revenues decreased $76 million in 2001 primarily because CMP no longer collects revenue for the supply of electricity to certain retail customers, a reduction of $103 million. Those decreases were partially offset by higher revenues of $21 million, primarily transmission, and amortization of deferred gains of $21 million.

Operating Expenses: Operating expenses for 2002 decreased $151 million primarily due to a decrease in electricity purchased of $162 million, including $138 million because CMP is no longer the standard-offer provider for the supply of electricity effective March 2002. Operating expenses also decreased $9 million due to the elimination of goodwill amortization in 2002. Those decreases were partially offset by an increase of $5 million due to restructuring expenses, a $3 million increase in other taxes primarily due to an MPUC conservation assessment and the cessation of amortization for the voluntary earnings credit of $11 million.

Operating expenses for 2001 decreased $94 million primarily due to lower electricity supply costs of $69 million because CMP no longer supplies electricity unless directed to by the MPUC, and $26 million due to cost control efforts relating to compensation and fees.

Other Items

Other operating expenses includes net periodic pension benefit cost of $2 million in 2002 and less than $1 million in 2001, and $1 million of net periodic pension benefit income in 2000. Other operating expenses would have been $2 million lower for 2002 without the change in net periodic pension benefit cost.

Central Maine Power Company
Consolidated Balance Sheets

December 31 (Thousands)	2002	2001
Assets		
Current Assets		
Cash and cash equivalents	**$20,415**	$20,777
Accounts receivable, net	**124,711**	123,615
Materials and supplies, at average cost	**7,096**	9,018
Accumulated deferred income tax benefits, net	**1,902**	74
Prepayments and other current assets	**6,411**	10,439
Total Current Assets	**160,535**	163,923
Utility Plant, at Original Cost		
Electric	**1,316,023**	1,312,778
Less accumulated depreciation	**499,381**	488,159
Net Utility Plant in Service	**816,642**	824,619
Construction work in progress	**2,952**	5,546
Total Utility Plant	**819,594**	830,165
Other Property	**5,880**	5,988
Investment in Associated Companies, at Equity	**27,137**	29,868
Regulatory and Other Assets		
Regulatory assets		
Nuclear plant obligations	**211,268**	199,797
Unfunded future income taxes	**101,791**	90,471
Unamortized loss on debt reacquisitions	**9,722**	11,006
Demand-side management program costs	**8,394**	14,054
Environmental remediation costs	**4,440**	6,075
Nonutility generator termination agreement	**7,195**	7,619
Other	**58,259**	132,368
Total regulatory assets	**401,069**	461,390
Other assets		
Goodwill, net	**325,580**	325,174
Prepaid pension benefits	**23,124**	29,886
Other	**23,404**	19,406
Total other assets	**372,108**	374,466
Total Regulatory and Other Assets	**773,177**	835,856
Total Assets	**$1,786,323**	$1,865,800

The notes on pages 81 through 93 are an integral part of the financial statements.

Central Maine Power Company
Consolidated Balance Sheets

December 31 (Thousands)	2002	2001
Liabilities		
Current Liabilities		
Current portion of long-term debt	**$52,975**	$52,959
Notes payable	**-**	46,500
Accounts payable and accrued liabilities	**45,551**	64,104
Interest accrued	**6,056**	5,181
Other	**54,693**	40,206
Total Current Liabilities	**159,275**	208,950
Regulatory and Other Liabilities		
Regulatory liabilities		
Deferred income taxes	**112,119**	92,630
Gain on sale of generation assets	**112,009**	190,779
Pension benefits	**-**	7,355
Other	**11,926**	21,840
Total regulatory liabilities	**236,054**	312,604
Other liabilities		
Deferred income taxes	**4,605**	17,385
Nuclear plant obligations	**211,268**	199,797
Other postretirement benefits	**71,236**	66,801
Environmental remediation costs	**2,987**	2,790
Other	**127,986**	119,575
Total other liabilities	**418,082**	406,348
Total Regulatory and Other Liabilities	**654,136**	718,952
Long-term debt	**291,796**	235,133
Total Liabilities	**1,105,207**	1,163,035
Commitments	**-**	-
Preferred Stock		
Preferred stock	**35,571**	35,571
Capital in excess of par value	**(2,723)**	(3,316)
Common Stock Equity		
Common stock ($5 par value, 80,000 shares authorized, 31,211 shares outstanding at December 31, 2002 and 2001)	**156,057**	162,213
Capital in excess of par value	**485,297**	498,141
Retained earnings	**31,682**	31,304
Accumulated other comprehensive (loss)	**(24,768)**	(2,148)
Treasury stock, at cost (1,231 shares at December 31, 2001)	**-**	(19,000)
Total Common Stock Equity	**648,268**	670,510
Total Liabilities and Stockholder's Equity	**$1,786,323**	$1,865,800

The notes on pages 81 through 93 are an integral part of the financial statements.

Central Maine Power Company
Consolidated Statements of Income

Year Ended December 31 (Thousands)	2002	2001	From Acquisition 2000	Predecessor To Acquisition 2000
Operating Revenues				
Sales and services	**$653,521**	$815,050	$277,518	$613,475
Operating Expenses				
Electricity purchased and fuel used in generation	**264,325**	430,284	135,873	351,112
Other operating expenses	**180,038**	173,553	60,882	151,245
Maintenance	**37,151**	40,007	14,273	24,468
Depreciation and amortization	**38,793**	36,537	13,830	23,661
Other taxes	**24,172**	20,925	6,621	12,961
Restructuring expenses	**5,495**	-	-	-
Total Operating Expenses	**549,974**	701,306	231,479	563,447
Operating Income	**103,547**	113,744	46,039	50,028
Other (Income)	**(5,041)**	(6,745)	(3,329)	(15,235)
Other Deductions	**2,035**	3,450	439	2,423
Interest Charges, Net	**28,584**	27,338	8,506	31,072
Recovery of Non-Provided Deferred Income Taxes	-	-	(1,229)	(75,421)
Gain on Sale of Investments and Properties, Net	-	-	(51)	(223)
Income Before Income Taxes	**77,969**	89,701	41,703	107,412
Income Taxes	**23,036**	35,261	18,052	77,534
Net Income	**54,933**	54,440	23,651	29,878
Preferred Stock Dividends	**1,442**	1,442	547	1,490
Earnings Available for Common Stock	**$53,491**	$52,998	$23,104	$28,388

The notes on pages 81 through 93 are an integral part of the financial statements.

Central Maine Power Company
Consolidated Statements of Cash Flows

Year Ended December 31 (Thousands)	2002	2001	From Acquisition 2000	Predecessor To Acquisition 2000
Operating Activities				
Net income	**$54,933**	$54,440	$23,651	$29,878
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	**25,857**	20,783	15,042	29,645
Income taxes and investment tax credits deferred, net	**8,613**	23,346	7,615	(9,804)
Restructuring expenses	**5,495**	-	-	-
Pension expense (income)	**2,467**	54	(1,404)	-
Changes in current operating assets and liabilities				
Accounts receivable, net	**1,154**	15,721	(21,140)	29,067
Inventory	**1,921**	34	648	405
Prepayments and other current assets	**4,028**	(827)	8,962	(11,102)
Accounts payable and accrued liabilities	**(18,553)**	(10,319)	(8,042)	(17,612)
Interest accrued	**874**	97	1,493	912
Taxes accrued	**6,118**	-	-	-
Other current liabilities	**11,303**	(13,798)	(4,773)	19,735
Asset sale settlement costs	-	(12,000)	-	-
Deferred NUG costs	-	(17,871)	-	-
Other assets	**(12,942)**	4,795	(12,462)	(8,088)
Other liabilities	**(11,307)**	(4,298)	5,153	9,412
Net Cash Provided by Operating Activities	**79,961**	60,157	14,743	72,448
Investing Activities				
Utility plant additions	**(38,054)**	(46,279)	(23,104)	(56,181)
Contributions in aid of construction, net	-	(19,130)	(5,274)	36,246
Other	**69**	6	73	155
Net Cash Used in Investing Activities	**(37,985)**	(65,403)	(28,305)	(19,780)
Financing Activities				
Repayments of preferred stock and first mortgage bonds, including net premiums	-	-	(9,910)	-
Long-term note issuances	**120,000**	75,000	-	125,000
Long-term note repayments	**(61,283)**	(20,483)	(8,994)	(60,788)
Notes payable three months or less, net	**(23,000)**	(23,500)	46,500	-
Notes payable issuances	**(28,500)**	-	-	-
Notes payable repayments	**5,000**	23,500	-	-
Dividends on common and preferred stock	**(54,555)**	(46,427)	(190,361)	(35,492)
Net Cash (Used in) Provided by Financing Activities	**(42,338)**	8,090	(162,765)	28,720
Net (Decrease) Increase in Cash and Cash Equivalents	**(362)**	2,844	(176,327)	81,388
Cash and Cash Equivalents, Beginning of Year	**20,777**	17,933	194,260	112,872
Cash and Cash Equivalents, End of Year	**$20,415**	$20,777	$17,933	$194,260

The notes on pages 81 through 93 are an integral part of the financial statements.

Central Maine Power Company
Consolidated Statements of Changes in Common Stock Equity

(Thousands)	Common Stock Outstanding $5 Par Value Shares	Common Stock Outstanding $5 Par Value Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, January 1, 2000	31,211	$162,213	$280,450	$100,754	-	$(19,000)	$524,417
Net income				53,529			53,529
Dividends declared							
Preferred stock				(2,037)			(2,037)
Common stock				(33,708)			(33,708)
Liquidating Dividend			(190,000)				(190,000)
Merger transaction, net			410,447	(95,076)			315,371
Amortization of capital stock issue expense				(171)			(171)
Balance, December 31, 2000	31,211	162,213	500,897	23,291	-	(19,000)	667,401
Net income				54,440			54,440
Other comprehensive income, net of tax					$(2,148)		(2,148)
Comprehensive income							52,292
Dividends declared							
Preferred stock				(1,442)			(1,442)
Common stock				(44,985)			(44,985)
Merger transaction, net			(2,756)				(2,756)
Balance, December 31, 2001	31,211	162,213	498,141	31,304	(2,148)	(19,000)	670,510
Net income				54,933			54,933
Other comprehensive income, net of tax					(22,620)		(22,620)
Comprehensive income							32,313
Dividends declared							
Preferred stock				(1,442)			(1,442)
Common stock				(53,113)			(53,113)
Cancellation of treasury stock		(6,156)	(12,844)			19,000	-
Balance, December 31, 2002	31,211	$156,057	$485,297	$31,682	$(24,768)	-	$648,268

The notes on pages 81 through 93 are an integral part of the financial statements.

Central Maine Power Company

Note 1. Significant Accounting Policies

Background: Central Maine Power Company (CMP) is primarily engaged in the transmission and distribution of electricity generated by others to retail customers in Maine. CMP is the principal operating utility of CMP Group, Inc. Effective September 1, 2000, CMP Group became a wholly-owned subsidiary of Energy East Corporation. The acquisition was accounted for under the purchase method of accounting and adjustments were included in CMP's financial statements under the push down method of accounting.

Accounts receivable: Accounts receivable include unbilled revenues of $33 million at December 31, 2002, and $32 million at December 31, 2001, and are shown net of an allowance for doubtful accounts of $2 million at December 31, 2002, and $3 million at December 31, 2001. Bad debt expense was $3 million in 2002 and 2001 and $5 million in 2000 (including $2 million from acquisition and $3 million to acquisition).

Consolidated statements of cash flows: CMP considers all highly liquid investments with a maturity date of three months or less when acquired to be cash equivalents. Those investments are included in cash and cash equivalents on the consolidated balance sheets.

Supplemental Disclosure of Cash Flows Information	2002	2001	From Acquisition 2000	Predecessor To Acquisition 2000
(Thousands)				
Cash paid during the year ended December 31:				
Interest, net of amounts capitalized	$24,213	$23,813	$6,082	$10,322
Income taxes, net of benefits received	$1,739	$4,228	$183	$24,553

Depreciation and amortization: CMP determines depreciation expense using the straight-line method. The average service lives of certain classifications of property are: transmission property - 40 years, distribution property - 38 years and other property - 25 years. CMP's depreciation accruals were equivalent to 2.9% of average depreciable property for 2002 and 2001 and 2.8% for 2000.

Estimates: Preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Goodwill: The excess of the cost over fair value of net assets and as a result of push down accounting is recorded as goodwill and was amortized on a straight-line basis over 40 years until December 31, 2001. Beginning in 2002 CMP evaluates the carrying value of goodwill for impairment at least annually and on an interim basis if there are indications that goodwill might be impaired. Any impairments would be recognized when the fair value of goodwill is less than its carrying value. (See Note 3.)

Central Maine Power Company

Income taxes: Deferred income taxes reflect the effect of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and the amount recognized for tax purposes. Investment tax credits (ITC) are amortized over the estimated lives of the related assets.

CMP computes its income tax provision on a separate return method. SEC regulations require that no Energy East subsidiary pay more income taxes than it would have paid if a separate income tax return had been filed. The determination and allocation of CMP's income tax provision and its components are outlined and agreed to in the tax sharing agreement with Energy East.

Other (Income) and Other Deductions:

Year Ended December 31	2002	2001	From Acquisition 2000	Predecessor - To Acquisition 2000
(Thousands)				
Interest income	$(1,057)	$(1,252)	$(1,308)	$(6,533)
Noncash return	(1,201)	(1,612)	(304)	(4,788)
Gains from the sale of nonutility property	(117)	(1,294)	(117)	(376)
Earnings from equity investments	(2,778)	(2,497)	(1,532)	(2,816)
Miscellaneous	112	(90)	(68)	(722)
Total other (income)	$(5,041)	$(6,745)	$(3,329)	$(15,235)
Miscellaneous	$2,035	$3,450	$439	$2,423
Total other deductions	$2,035	$3,450	$439	$2,423

Principles of consolidation: CMP's financial statements consolidate its majority-owned subsidiaries after eliminating intercompany transactions.

Reclassifications: Certain amounts have been reclassified on the consolidated financial statements to conform with the 2002 presentation.

Regulatory assets and liabilities: Pursuant to Statement 71, CMP capitalizes, as regulatory assets, incurred costs that are probable of recovery in future electric rates. It also records, as regulatory liabilities, obligations to refund previously collected revenue or to spend revenue collected from customers on future costs. Approximately $300 million of the regulatory liability resulting from CMP's sale of non-nuclear assets was used to offset regulatory assets in March 2000.

Unfunded future income taxes and deferred income taxes are amortized as the related temporary differences reverse. Unamortized loss on debt reacquisitions is amortized over the lives of the related debt issues. Nuclear plant obligations, demand-side management program costs, gain on sale of generation assets, other regulatory assets and other regulatory liabilities are amortized over various periods in accordance with CMP's current rate plans. CMP earns a return on substantially all regulatory assets for which funds have been spent.

Central Maine Power Company

Revenue recognition: CMP recognizes revenues upon delivery of energy and energy-related products and services to its customers.

Pursuant to Maine Law, since March 1, 2000, CMP has been prohibited from selling power to its retail customers. CMP does not enter into any purchase and sales arrangements for power with the ISO New England, the New England Power Pool, or any other independent system operator or similar entity. All of CMP's power entitlements in its NUG and other purchase power contracts are sold to unrelated third parties under bilateral contracts for the period March 1, 2002, through February 28, 2005.

Utility plant: CMP charges repairs and minor replacements to operating expense accounts, and capitalizes renewals and betterments, including certain indirect costs. The original cost of utility plant retired or otherwise disposed of and the cost of removal less salvage are charged to accumulated depreciation.

Note 2. Restructuring

In the fourth quarter of 2002 Energy East recorded $41 million of restructuring expenses, including $5 million for CMP. The employee positions affected by the restructuring were identified in the fourth quarter of 2002. The restructuring expenses reduced CMP's net income by $3 million, including $2 million for a voluntary early retirement program that will be paid from CMP's pension plan and $1 million for an involuntary severance program, primarily for salaried employees.

Those programs are expected to result in a decline in overall employee headcount of approximately 650, or 8%, by April 30, 2003, including approximately 70 from CMP. The employees affected by the involuntary severance program were notified in January 2003.

Note 3. Goodwill and Other Intangible Assets

Effective January 1, 2002, CMP adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets. As required by Statement 142 CMP no longer amortizes goodwill and does not amortize intangible assets with indefinite lives (unamortized intangible assets). Both goodwill and unamortized intangible assets are tested at least annually for impairment. Intangible assets with finite lives are amortized (amortized intangible assets) and are reviewed for impairment.

CMP determined that there was no impairment of goodwill as of January 1, 2002. There was no reclassification of goodwill to intangible assets and no reclassification of intangible assets to goodwill as of January 1, 2002. Annual impairment testing was also completed and it was determined that there was no impairment of goodwill or unamortized intangible assets for CMP at September 30, 2002.

The carrying amount of goodwill on CMP's balance sheets was $326 million as of December 31, 2002 and $325 million as of December 31, 2001, and is included in CMP's electric delivery operating segment. The increase was due to tax adjustments.

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Other Intangible Assets: CMP's unamortized intangible assets consist of pension assets and had a carrying amount of $2 million at December 31, 2002, and $3 million at December 31, 2001. CMP's amortized intangible assets primarily consist of technology rights, and had a gross carrying amount and accumulated amortization of less than $0.3 million at December 31, 2002 and 2001. Estimated amortization expense for intangible assets is $9 thousand for each of the next five years, 2003 through 2007.

Transitional Information: Results of operations information for CMP as though goodwill had been accounted for under Statement 142 for all years presented is:

Year Ended December 31	**2002**	**2001**	**From Acquisition 2000**	**Predecessor - To Acquisition 2000**
(Thousands)				
Reported net income	$54,933	$54,440	$23,651	$29,878
Add back: Goodwill amortization	-	8,575	2,949	-
Adjusted net income	$54,933	$63,015	$26,600	$29,878

Note 4. Income Taxes

Year Ended December 31	**2002**	**2001**	**From Acquisition 2000**	**Predecessor To Acquisition 2000**
(Thousands)				
Current	**$14,450**	$8,749	$10,437	$12,278
Deferred, net				
Accelerated depreciation	**1,951**	(207)	2,007	1,559
Pension benefits	**180**	1,475	9	(479)
Asset sale gain	-	-	-	75,060
Miscellaneous	**7,170**	25,959	5,836	(7,009)
ITC	**(715)**	(715)	(237)	(3,875)
Total	**$23,036**	$35,261	$18,052	$77,534

CMP's effective tax rate differed from the statutory rate of 35% due to the following:

Year Ended December 31	**2002**	**2001**	**From Acquisition 2000**	**Predecessor To Acquisition 2000**
(Thousands)				
Tax expense at statutory rate	**$27,289**	$31,396	$14,596	$37,594
Depreciation and amortization not normalized	**(446)**	287	496	(594)
ITC amortization	**(715)**	(715)	(237)	(3,875)
State taxes, net of federal benefit	**3,169**	5,286	2,421	6,234
Other, net	**(6,261)**	(993)	776	38,175*
Total	**$23,036**	$35,261	$18,052	$77,534

* Reflects effect of MPUC rate case settlement.

Central Maine Power Company

CMP's deferred tax assets and liabilities consisted of the following:

December 31 (Thousands)	2002	2001
Current Deferred Tax Assets	$1,902	$74
Noncurrent Deferred Tax Liabilities		
Depreciation	$170,512	$161,765
Unfunded future income taxes	(44,745)	36,916
Accumulated deferred ITC	41,535	9,099
Deferred gain on generation plant sale	8,384	(78,403)
Other	(58,962)	(19,362)
Total Noncurrent Deferred Tax Liabilities	116,724	110,015
Less amounts classified as regulatory liabilities		
Deferred income taxes	112,119	92,630
Noncurrent Deferred Income Taxes	$4,605	$17,385

CMP has no federal or state tax credit or loss carryforwards, nor does it have any valuation allowances.

Note 5. Long-term Debt

At December 31, 2002 and 2001, CMP's consolidated long-term debt was:

	Maturity Dates	Interest Rates	Amount 2002	Amount 2001
(Thousands)				
Pollution control notes	2014	5 3/8%	$19,500	$19,500
Various medium-term notes	2003 to 2025	2.00% to 8.13%	270,000	200,000
Various long-term debt	2005 to 2020	7.05% to 10.48%	31,034	42,317
Obligations under capital leases			25,666	27,563
Unamortized discount on debt			(1,429)	(1,288)
			344,771	288,092
Less debt due within one year - included in current liabilities			52,975	52,959
Total			$291,796	$235,133

At December 31, 2002, long-term debt, including sinking fund obligations, and capital lease payments (in thousands) that will become due during the next five years are:

2003	2004	2005	2006	2007
$52,975	$12,919	$23,006	$42,747	$17,538

CMP has no long-term debt obligations that are secured. CMP has no intercompany collateralizations and has no guarantees to affiliates or subsidiaries. CMP's debt has no guarantees from parent or affiliates or any additional credit supports.

Cross-default Provisions: In the event of a cross-default of other long-term debt obligations of CMP, The Finance Authority of Maine, under a Loan Agreement, may declare an amount equal to the unpaid principal amount, currently less than $10 million, and interest accrued immediately due and payable.

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Note 6. Bank Loans and Other Borrowings

CMP has a revolving credit facility with certain banks that provides for borrowing up to $75 million through December 2005, which is secured by CMP's accounts receivable. The interest rate on borrowings is related to the London Interbank Offered Rate or base-rate-priced loans. The arrangement provides for payment of fees including: at December 31, 2002, a facility fee of 0.15% per annum and a utilization fee of 0.125% per annum for each day the outstanding balance exceeded 50% of the total facility; and at December 31, 2001, a facility fee of 0.125% per annum and a utilization fee of 0.1% per annum for each day the outstanding balance exceeded 25% of the total facility.

CMP uses short-term borrowings and drawings on its credit facility (see above) to provide initial financing for construction and for other corporate purposes. There was no such short-term debt outstanding at December 31, 2002, and $47 million outstanding at December 31, 2001. The weighted-average interest rate on short-term debt was 2.5% at December 31, 2001.

In its revolving credit facility, which is secured by it accounts receivable, CMP covenants that (i) its consolidated total debt shall at all times be no more than 65% of the sum of its consolidated total debt and its total stockholders equity, and (ii) as of the end of any fiscal quarter CMP's ratio of earnings before interest expense, income taxes and preferred stock dividends to interest expense shall have been at least 1.75 to 1.00. Continued unremedied failure to comply with either covenant for 30 days after such event has occurred constitutes an event of default and would result in acceleration of maturity. At December 31, 2002, CMP's consolidated total debt ratio was 33.6% and its interest coverage ratio was 3.73 to 1.00.

Note 7. Preferred Stock

At December 31, 2002 and 2001, CMP's cumulative preferred stock was:

Series	Par Value Per Share	Redemption Price Per Share	Shares Authorized and Outstanding[1]	Amount (Thousands) 2002	2001
6% Noncallable [2]	$100	-	5,713	**$571**	$571
3.50%	100	$101.00	220,000	**22,000**	22,000
4.60%	100	101.00	30,000	**3,000**	3,000
4.75%	100	101.00	50,000	**5,000**	5,000
5.25%	100	102.00	50,000	**5,000**	5,000
Total				**$35,571**	$35,571

(1) At December 31, 2002, CMP had 2,000,000 shares of $25 par value preferred stock and 1,950,000 shares of $100 par value callable preferred stock authorized but unissued.

(2) CMP's 5,713 shares outstanding include 533 shares owned by CMP Group, which are eliminated in consolidation for Energy East.

CMP's redemptions during the three years 2000 through 2002: On October 1, 2000, CMP redeemed, at par, $9.9 million of 7.999% Flexible Money Market Preferred Stock Series A.

<u>Notes to Consolidated Financial Statements</u>

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Voting rights of preferred shares: If preferred stock dividends on any series of preferred stock, other than the 6% Noncallable series, are in default in an amount equivalent to four full quarterly dividends, the holders of the preferred stock are entitled to elect a majority of the directors and their privilege continues until all dividends in default have been paid. The holders of preferred stock, other than the 6% Noncallable series, are not entitled to vote in respect of any other matters except those, if any, in respect of which voting rights cannot be denied or waived under some mandatory provision of law, and except that the charter contains provisions to the effect that such holders shall be entitled to vote on certain matters affecting the rights and preferences of the preferred stock.

Holders of the 6% Noncallable series are entitled to one vote per share and have full voting rights on all matters.

Whenever holders of preferred stock shall be entitled to vote, they shall be entitled to cast one vote for each share of preferred stock held by them. Holders of CMP common stock are entitled to one-tenth of one vote per share on all matters.

Note 8. Commitments

Capital spending: CMP has commitments in connection with its capital spending program. Capital spending is projected to be $42 million in 2003 and is expected to be paid for with internally generated funds. The program is subject to periodic review and revision. CMP's capital spending will be primarily for the extension of energy delivery service, necessary improvements to existing facilities, compliance with environmental requirements and governmental mandates and merger integration.

Nonutility generator power purchase contracts: CMP expensed approximately $211 million for NUG power in 2002, $225 million in 2001 and $243 million in 2000 (including $81 million from acquisition and $162 million to acquisition). CMP estimates that NUG power purchases will total $216 million in 2003, $215 million in 2004, $219 million in 2005, $166 million in 2006 and $154 million in 2007.

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Note 9. Jointly-Owned Generation Assets and Nuclear Generation Insurance and Decommissioning

CMP has ownership interests in three nuclear generating facilities in New England, which are accounted for under the equity method. All three facilities have permanently ceased operations, and are in the process of being decommissioned.

($ in Millions)	Maine Yankee	Yankee Atomic	Connecticut Yankee
Ownership Share	38%	9.5%	6%
Operating Status	Permanently shut down August 6, 1997	Permanently shut down February 26, 1992	Permanently shut down December 4, 1996
Location	Wiscasset, Maine	Rowe, Massachusetts	Haddam, Connecticut
2002 Energy, Capacity, Decommissioning and Other Costs	$22.2	-	$2.7
Capacity Share	N/A	N/A	N/A
Equity Interest at December 31, 2002	$21.5	-	$3.4

Maine Yankee: In August 1997 the Board of Directors of Maine Yankee Atomic Power Company voted to permanently shut down and decommission the Maine Yankee plant. The plant had experienced a number of operational and regulatory problems and did not operate after December 6, 1996. The decision to close the plant was based on an economic analysis of the costs, risks and uncertainties associated with operating the plant compared to those associated with closing and decommissioning it.

Yankee Atomic: In 1993 the FERC approved a settlement agreement regarding recovery of decommissioning costs and plant investment, and all issues with respect to the prudence of the owners decision to discontinue operation of the Yankee Atomic plant.

Connecticut Yankee: In December 1996 the Board of Directors of Connecticut Yankee Atomic Power Company voted to permanently shut down and decommission the Connecticut Yankee plant for economic reasons. The plant did not operate after July 22, 1996.

Vermont Yankee: On July 31, 2002, Vermont Yankee Nuclear Power Corporation sold the Vermont Yankee nuclear power plant, including CMP's 4% ownership interest, to Entergy Corporation. Any benefits realized from the sale, which are expected to be less than $1 million, will be used to reduce CMP customers' future obligations for stranded costs. The transaction included a power purchase agreement that calls for Entergy to provide all of the plant's electricity to the sellers through 2012, the year the operating license for the plant expires.

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Operating expenses: CMP is obligated to pay its proportionate share of the operating expenses, including depreciation, operation and maintenance expenses, and a return on invested capital, for each of the Yankee Companies referred to above. CMP is also required to pay its share of the estimated decommissioning costs of each of the Yankee Companies, which are included in CMP's stranded costs for purposes of rate recovery.

Nuclear insurance: CMP is exempt from the provisions of the Price-Anderson Act because it no longer has an interest in a nuclear generating plant that is operating. As required by the NRC, CMP carries nuclear property damage insurance, which is obtained through Nuclear Electric Insurance Limited, for its interests in nonoperating nuclear generating plants.

Nuclear plant decommissioning costs: CMP's estimated liability, in 2003 dollars, for decommissioning its various interests in nuclear plants is $387 million, which was updated in 2002 to include spent fuel storage and increases in projected costs. The amount currently billed for those costs is recovered by CMP through its electric rates.

Note 10. Environmental Liability

From time to time environmental laws, regulations and compliance programs may require changes in CMP's operations and facilities and may increase the cost of electric service.

The U.S. Environmental Protection Agency and various state environmental agencies, as appropriate, notified CMP that it is among the potentially responsible parties who may be liable for costs incurred to remediate certain hazardous substances at five waste sites. The five sites do not include sites where gas was manufactured in the past, which are discussed below. With respect to the five sites, four sites are included in Maine's Uncontrolled Sites Program, one is included on the Massachusetts Non-Priority Confirmed Disposal Site list and two of the sites are also included on the National Priorities list.

Any liability may be joint and several for certain of those sites. CMP has recorded an estimated liability of $1 million related to the five sites. An estimated liability of $1 million has been recorded related to three additional sites where CMP believes it is probable that it will incur remediation and/or monitoring costs, although it has not been notified that it is among the potentially responsible parties. The ultimate cost to remediate the sites may be significantly more than the estimated amount. Factors affecting the estimated remediation amount include the remedial action plan selected, the extent of site contamination and the portion attributed to CMP.

CMP has a program to investigate and perform necessary remediation at its four sites where gas was manufactured in the past. Those four sites are part of Maine's Voluntary Response Action Program and three of those four sites are part of Maine's Uncontrolled Sites Program.

CMP's estimate for all costs related to investigation and remediation of the four sites ranges from $2 million to $5 million at December 31, 2002. The estimate could change materially based on facts and circumstances derived from site investigations, changes in required remedial action, changes in technology relating to remedial alternatives and changes to current laws and regulations.

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The liability to investigate and perform remediation, as necessary, at the known inactive gas manufacturing sites, reflected on CMP's consolidated balance sheets was $2 million at December 31, 2002, and $1 million at December 31, 2001.

CMP's environmental liability accruals, the majority of which are expected to be paid within the next four years, have been established on an undiscounted basis. CMP received insurance settlements during the last three years, which it accounted for as reductions in its related regulatory asset.

Note 11. Fair Value of Financial Instruments

The carrying amounts and estimated fair values of CMP's financial instruments included on its consolidated balance sheets are shown in the following table. The fair values are based on the quoted market prices for the same or similar issues of the same remaining maturities.

December 31	2002	2002	2001	2001
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
(Thousands)				
Pollution control notes - fixed	**$19,500**	**$20,085**	$19,500	19,377
Various medium-term notes	**$268,571**	**$286,935**	$198,712	$204,681
Various long-term debt	**$31,034**	**$39,122**	$42,317	$42,317

The carrying amounts for cash and cash equivalents, notes payable and interest accrued approximate their estimated fair values.

Note 12. Accumulated Other Comprehensive Income

(Thousands)	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2001	-	-
Before-tax amount	$(3,629)	$(3,629)
Tax benefit	1,481	1,481
Balance, December 31, 2001	(2,148)	(2,148)
Before-tax amount	(38,213)	(38,213)
Tax benefit	15,593	15,593
Balance, December 31, 2002	$(24,768)	$(24,768)

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Note 13. Retirement Benefits

(Thousands)	Pension Benefits 2002	Pension Benefits 2001	Postretirement Benefits 2002	Postretirement Benefits 2001
Change in projected benefit obligation				
Benefit obligation at January 1	**$182,495**	$165,671	**$101,841**	$89,832
Service cost	**3,931**	3,368	**1,783**	1,475
Interest cost	**12,763**	12,199	**7,744**	5,911
Plan amendments	**-**	2,546	**(1,410)**	(6,394)
Actuarial loss	**16,176**	5,771	**19,157**	17,017
Special termination benefits	**3,679**	2,551	**-**	-
Benefits paid	**(10,218)**	(9,611)	**(5,478)**	(6,000)
Projected benefit obligation at December 31	**$208,826**	$182,495	**$123,637**	$101,841
Change in plan assets				
Fair value of plan assets at January 1	**$151,273**	$166,232	**$15,084**	$12,991
Actual return on plan assets	**(18,585)**	(5,782)	**(1,663)**	(906)
Employer contributions	**-**	434	**5,478**	9,000
Benefits paid	**(10,218)**	(9,611)	**(5,478)**	(6,000)
Fair value of plan assets at December 31	**$122,470**	$151,273	**$13,421**	$15,085
Funded status	**$(86,356)**	$(31,222)	**$(110,216)**	$(86,756)
Unrecognized net actuarial loss	**107,153**	58,592	**45,749**	25,831
Unrecognized prior service cost (benefit)	**2,327**	2,516	**(6,769)**	(5,876)
Prepaid (accrued) benefit cost	**$23,124**	$29,886	**$(71,236)**	$(66,801)
Amounts recognized in the balance sheet:				
Prepaid benefit cost	**$23,124**	$29,886	**-**	-
Accrued benefit liability	**-**	-	**$(71,236)**	$(66,801)
Additional minimum liability	**(87,581)**	(42,806)	**-**	-
Intangible asset	**2,327**	2,516	**-**	-
Regulatory liability	**43,412**	36,661	**-**	-
Accumulated other comprehensive income	**41,842**	3,629	**-**	-
Net amount recognized	**$23,124**	$29,886	**$(71,236)**	$(66,801)

CMP recorded a minimum pension liability of $88 million at December 31, 2002, as required by Statement of Financial Accounting Standards No. 87, Employers' Accounting for Pensions. The adjustment is reflected in other long-term liabilities, intangible assets, regulatory liability and other comprehensive income, as appropriate, and is prescribed when the accumulated benefit obligation in the plan exceeds the fair value of the underlying pension plan assets and accrued pension liabilities. The increase in the unfunded accumulated benefit obligation is primarily due to a reduction in the assumed discount rate, investment market conditions and a voluntary early retirement program offered by Energy East as part of its restructuring. (See Note 2.)

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	Pension Benefits			Postretirement Benefits		
	2002	2001	2000	2002	2001	2000
Weighted-average assumptions as of December 31						
Discount rate	**6.5%**	7.0%	7.25%	**6.5%**	7.0%	7.25%
Expected return on plan assets	**9.0%**	9.0%	9.0%	**9.0%**	9.0%	9.0%
Rate of compensation increase	**4.0%**	4.0%	4.0%	**4.0%**	4.0%	4.0%

As of December 31, 2002, CMP decreased its discount rate from 7.0% to 6.5% and its expected return on plan assets from 9.0% to 8.75% effective January 1, 2003.

CMP assumed a 10% annual rate of increase in the costs of covered health care benefits for 2003 that gradually decreases to 5% by the year 2006.

	Pension Benefits			Postretirement Benefits		
	2002	2001	2000	2002	2001	2000
(Thousands)						
Components of net periodic benefit cost						
Service cost	**$3,931**	$3,368	$3,730	**$1,783**	$1,475	$1,628
Interest cost	**12,763**	12,199	11,335	**7,744**	5,911	6,271
Expected return on plan assets	**(15,192)**	(15,675)	(14,165)	**(996)**	(1,105)	(986)
Amortization of prior service cost	**190**	29	207	**(517)**	(517)	-
Recognized net actuarial (gain) loss	**1,392**	164	(1,065)	**1,541**	-	(73)
Amortization of transition (asset) obligation	-	-	(163)	-	-	2,112
Special termination benefits	**3,679**	2,551	-	-	-	-
Adjustment to plan	-	(18)	18	**357**	-	283
Net periodic benefit cost	**$6,763**	$2,618	$(103)	**$9,912**	$5,764	$9,235

Net periodic benefit cost is included in other operating expenses on the consolidated statements of income. For 2000 the net periodic benefit cost for pension benefits of $(103,000) includes $(127,000) from acquisition and $24,000 to acquisition; and the net periodic benefit cost for postretirement benefits of $9,235,000 includes $2,582,000 from acquisition and $6,653,000 to acquisition.

The net periodic benefit cost for postretirement benefits represents the cost CMP charged to expense for providing health care benefits to retirees and their eligible dependents. The amount of postretirement benefit cost deferred was $38 million as of December 31, 2002, and $42 million as of December 31, 2001. The transition obligation for postretirement benefits is being amortized over a period of 20 years. CMP expects to recover any deferred postretirement costs related to the transition obligation by 2012.

A 1% increase or decrease in the health care cost inflation rate from assumed rates would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$1 million	$(1) million
Effect on postretirement benefit obligation	$13 million	$(11) million

Central Maine Power Company

Note 14. Segment Information

Selected financial information for CMP's business segments is presented in the table below. CMP's electric delivery business, which it conducts in the State of Maine, consists of its transmission and distribution operations. All Operating Revenues; Depreciation and Amortization; Operating Income; Interest Charges, Net; Income Taxes and Earnings Available for Common Stock relate to CMP's electric delivery business. Other consists of CMP's corporate assets.

(Thousands)	Electric Delivery	Other	Total
2002			
Total Assets	**$1,777,727**	**$8,596**	**$1,786,323**
Capital Spending	**$37,985**	**-**	**$37,985**
2001			
Total Assets	$1,857,157	$8,643	$1,865,800
Capital Spending	$46,182	$91	$46,273
2000			
Total Assets	$1,919,630	$9,167	$1,928,797
Capital Spending			
From Acquisition	$22,988	$43	$23,031
To Acquisition	$55,778	$248	$56,026

Note 15. Quarterly Financial Information (Unaudited)

Quarter Ended (Thousands)	March 31	June 30	September 30	December 31
2002				
Operating Revenues	**$200,614**	**$139,208**	**$153,663**	**$160,036**
Operating Income	**$44,945**	**$10,048**	**$23,100**	**$25,454**
Net Income	**$23,283**	**$5,293**	**$11,372**	**$14,985**
Earnings Available for Common Stock	**$22,922**	**$4,932**	**$11,011**	**$14,626**
2001				
Operating Revenues	$230,161	$192,472	$200,229	$192,188
Operating Income	$43,955	$10,513	$24,082	$35,194
Net Income	$22,246	$3,775	$11,275	$17,144
Earnings Available for Common Stock	$21,885	$3,414	$10,914	$16,785

Report of Independent Accountants

To the Shareholder and Board of Directors,
Central Maine Power Company and Subsidiaries

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) on page 154 present fairly, in all material respects, the financial position of Central Maine Power Company and its subsidiaries ("the Company") at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing in Item 15(a)(2) on page 154 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Notes 1 and 3 to the consolidated financial statements, effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets.

PricewaterhouseCoopers LLP

New York, New York
January 31, 2003

CENTRAL MAINE POWER COMPANY

SCHEDULE II - Consolidated Valuation and Qualifying Accounts

Years Ended December 31, 2002, 2001 and 2000

Classification (Thousands)	Beginning of Year	Additions	Write-offs [a]	Adjustments	End of Year
2002					
Allowance for Doubtful Accounts - Accounts Receivable	$2,854	$2,584	$(3,585)	-	$1,853
2001					
Allowance for Doubtful Accounts - Accounts Receivable	$2,874	$3,383	$(3,629)	$226	$2,854
2000					
Allowance for Doubtful Accounts - Accounts Receivable	$2,904	$4,516[b]	$(4,546)	-	$2,874

(a) Uncollectible accounts charged against the allowance, net of recoveries.
(b) Includes $1,842 from acquisition and $2,674 to acquisition.

Appendix 4

Purchase and Sales Agreement

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made this 24th day of December, 2003, by and between CIANBRO CORPORATION, a Maine corporation ("**Seller**"), and CENTRAL MAINE POWER COMPANY, a Maine corporation, its successors and assigns ("**Purchaser**").

RECITALS

A. Seller is the owner of a certain parcel of unimproved land located on West Commercial Street in Portland, Cumberland County, Maine, and more particularly described in Section 1(a) below.

B. Seller desires to sell and Purchaser desires to purchase such property on the terms and conditions hereinafter stated.

C. Purchaser desires to develop and construct on such property an electrical substation facility and related improvements (the "**Project**").

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Description of the Property. The property which is the subject of this Agreement is as follows:

(a) That parcel of land located in Portland, Cumberland County, Maine being generally shown on a portion of the City of Portland Tax Map attached hereto as Exhibit A-1 and described more particularly on **Exhibit A** hereto (the "**Land**"); and

(b) All rights, privileges, and easements appurtenant to the Land, including without limitation, all water rights, rights of way, roadways, utility facilities and other appurtenances used or to be used in connection with the beneficial use of the Land.

All of the property described in (a) and (b) above is hereinafter collectively referred to as the "**Property**".

2. <u>Agreement to Sell and Purchase</u>. The Seller agrees to sell and convey the Property, and the Purchaser agrees to purchase the Property, on the terms and conditions herein provided.

3. <u>Purchase Price</u>.

(a) <u>Purchase Price</u>. The Purchaser shall pay to the Seller, as the purchase price for the Property, the sum of [redacted] (the "**Purchase Price**") in the following manner:

(i) Upon execution of this Agreement by both parties, but no later than December 31, 2003,Purchaser shall deposit with Seller a deposit in the sum of [redacted] by certified or bank check or wire transfer. This deposit and all interest earned thereon shall be hereinafter referred to as the "**Initial Deposit**".

(ii) Upon execution of this Agreement by both parties, but no later than December 31, 2003, Purchaser shall make an additional deposit of [redacted] with the Seller by certified or bank check or wire transfer. The additional deposit, all interest earned thereon and all additions thereto shall be hereinafter referred to as the "**Additional Deposit**" and collectively with the Initial Deposit as the "**Deposit**". The Additional Deposit shall be held by Seller in accordance with the terms and conditions of this Agreement. The Deposit shall be held by Seller and invested in an interest bearing account mutually satisfactory to the parties.

(iii) At Closing (as defined in Section 6), the Deposit shall be credited against the Purchase Price.

4. Feasibility Studies.

(a) If Seller becomes aware of any surveys or title reports within its possession, Seller agrees to deliver them to Purchaser, or to make them available for inspection by Purchaser at an agreed upon reasonable time and place.

(b) Purchaser and/or its agents shall have the right to enter unto the Property at all reasonable times prior to Closing for purposes of conducting, at Purchaser's expense, surveys, engineering reports, soil borings and such other tests, investigations and/or studies as Purchaser deems necessary or desirable to evaluate the Property for the purpose of preparing and making all plans and studies necessary or appropriate for or in connection with the application process for all permits from any and all governmental bodies deemed necessary or advisable by Purchaser and for and in connection with Purchaser's proposed use of the Property for the Project (collectively, "**Property Studies**). Purchaser hereby indemnifies and holds Seller harmless from and against all losses, damages and claims caused by Purchaser, its agents, contractors and employees arising by reason of (A) any physical damage or personal injury directly resulting from Purchaser's conduct of such Property Studies, and (B) any mechanic's or materialmen's liens resulting from Purchaser's conduct of such Property Studies. This indemnification shall survive any termination of this Agreement.

(c) In the event that Purchaser is not fully satisfied in its sole and absolute discretion with the Property Studies, the condition of the Property and the prospects for Purchaser's acquisition and development thereof for the Project, Purchaser shall have the right to terminate this Agreement by written notice to Seller given on or before the sixtieth (60^{th}) day following the Effective Date of this Agreement (such period shall hereinafter be referred to as the "**Feasibility Study Period**"), whereupon the Deposit shall be returned to Purchaser, the parties hereto shall thereafter be relieved of all further liability and/or obligation hereunder except Purchaser's indemnity obligations under Sections 4. If Purchaser does not terminate this Agreement within the time provided above, then Purchaser shall be deemed to have waived its right to terminate this Agreement under this Section 4.

5. <u>Title to the Property; Environmental Assessment.</u>

(a) At Closing, Seller shall convey fee simple title to the Property, marketable and insurable as such in an amount equal to the Purchase Price by such title insurance company as Purchaser may choose, at regular rates, on a form of owner's policy satisfactory to Purchaser, free and clear of any and all liens (other than as caused by Purchaser), encumbrances, leases, subleases, right of possession, occupancies, easements, rights of way, covenants, conditions, limitations, restrictions or other matters whatsoever, whether recorded or unrecorded, except for (i) any lien of real estate taxes not yet due and payable, and (ii) exceptions as to which Purchaser has not objected or has accepted in accordance with Section 5(b) hereof (collectively, "**Permitted Exceptions**").

(b) Promptly after the Effective Date hereof, Purchaser may, at its option, obtain a preliminary title commitment (the "**Title Report**") and/or a boundary survey (the "**Survey**") covering the Property at Purchaser's expense. Purchaser shall, on or before the expiration of the Feasibility Study Period, accept the title to date of search as reflected on the Title Report or give written notice to Seller of any defects, liens, encumbrances or other matters in Seller's title to the Property disclosed by the Title Report or the Survey which are not acceptable to Purchaser ("**Purchaser's Title Notice**"). In the event Seller fails to cure any such defects or other matters within thirty (30) days of the date of receipt of Purchaser's Title Notice, or if Seller notifies Purchaser within five (5) business days following Seller's receipt of Purchaser's Title Notice that it will not be able to cure the defects or matters, Purchaser may, at its option, by notice to Seller either (i) waive such defects or matters and accept the status of title as reflected in the Title Report, notwithstanding such defects or matters, or (ii) terminate this Agreement, whereupon the Deposit shall be paid to Purchaser and the parties hereto shall thereafter be relieved of all further liability and/or obligation hereunder. If Purchaser does not (I) send to Seller Purchaser's Title Notice on or before the expiration of the Feasibility Study Period, or (II) having given Purchaser's Title Notice, give such notice of election of (i) or (ii) within sixty (60) days after the expiration of the Feasibility Study Period, Purchaser shall be deemed to have accepted title as reflected in the Title Report as marketable. The same procedure and options shall apply to any exceptions which arise after the effective date of the Title Report and prior to Closing.

(c) Purchaser may at its option also obtain, at Purchaser's expense, an environmental assessment covering the Property. Purchaser shall, at any time prior to Closing, give written notice to Seller of any matter disclosed by such environmental assessment which Purchaser determines to be unacceptable. In the event that Seller fails to cure or correct such unacceptable environmental condition on or before Closing, Purchaser may (i) terminate this Agreement, whereupon the Deposit shall be paid to Purchaser and the parties hereto shall thereafter be relieved of all further liability and/or obligation hereunder <u>or</u> (ii) withdraw its objection and proceed to Closing notwithstanding such unacceptable environmental condition.

(d) Seller shall not cause the status of title to, or the environmental condition of, the Property to be modified in any way subsequent to the date of this Agreement without the prior written consent of the Purchaser.

6. <u>Closing</u>. Closing of the transactions described herein ("**Closing**") shall occur at the offices of Purchaser's attorney in Portland, Maine or at such other place as the parties shall mutually agree upon in writing on the earlier to occur of: (i) the satisfaction (or waiver in writing by Purchaser) of all conditions precedent to Purchaser's obligation to proceed to Closing set forth in Section 9, or (ii) June 30, 2004.

7. <u>Conveyance; Adjustments</u>.

(a) The following documents with reference to the Property shall be executed by Seller and/or delivered to Purchaser at Closing:

(i) A quitclaim deed with warranty covenant in recordable form conveying fee simple title to the Property, free and clear of all liens, encumbrances or defects except the Permitted Exceptions, to Purchaser or its assign (the "**Deed**");

(ii) An assignment of any contract rights associated with the Property desired to be acquired by Purchaser;

(iii) An affidavit prepared by or acceptable to the title company issuing the title policy to Purchaser for execution by Seller stating under the penalties of perjury that Seller is not a "foreign person" as that term is defined under Section 1445 of the Internal Revenue Code of 1954, as amended;

(iv) Such other certificates, agreements and other documents as may be reasonably requested by Purchaser in order to permit the title company insuring title to the Property to issue a title policy reflecting that Purchaser holds good and marketable title to the Property, subject only to the Permitted Exceptions; and

(v) All other documents reasonably necessary or appropriate to effectuate the purposes of this Agreement.

(b) Purchaser and Seller shall each pay the real estate transfer tax imposed on it by law.

(c) The risk of loss or damage to the Property by fire or other casualty shall remain on Seller until the Deed is delivered by Seller at Closing. Seller agrees to keep in place whatever public liability insurance with respect to the Property that it has now until Closing. In the event any portion of the Property is condemned by any governmental authority under its power of eminent domain, or is the subject of any notice of condemnation, Purchaser may elect to terminate this Agreement, whereupon the Deposit shall be paid to Purchaser and the parties shall have no further liability to each other hereunder, or Purchaser may elect to complete settlement hereunder, in which event Seller shall assign to Purchaser at settlement all of Seller's right, title and interest in and to any condemnation awards, whether pending or already paid.

(d) Pro rata adjustments on a per diem basis (unless otherwise provided) shall be made between Purchaser and Seller as of the date of Closing with respect utility charges which shall be paid through the date of Closing by Seller and real estate taxes;

8. Default.

(a) By Purchaser.

(i) If Purchaser fails to comply with any requirement or obligation set forth in this Agreement, including the failure to make any payment required at any Closing, and Seller is not then in default under this Agreement, then Seller shall give Purchaser written notice of such noncompliance, and the failure of Purchaser to correct or cure such noncompliance within ten (10) days after Seller has given Purchaser written notice of such noncompliance shall constitute a default hereunder (a "**Purchaser Default**").

(ii) Upon the occurrence of a Purchaser Default, Seller's sole remedy shall be restricted to terminating this Agreement and obtaining and retaining the Initial Deposit, as full and complete liquidated damages, the parties having determined that the ascertainment of actual damages would be difficult to determine, and any Additional Deposit shall be paid to Purchaser and Purchaser and Seller shall thereafter have no further liability and/or obligation hereunder; provided, however, that Purchaser shall remain responsible for its indemnity obligations. Without limiting the foregoing, in the event of a Purchaser Default (subject to the foregoing excepted obligations), Seller shall have no right to seek any equitable remedy, including, without limitation, specific performance of this Agreement.

(b) By Seller.

(i) If Seller fails to comply with any requirement or obligation to deliver documents as set forth in Section 7(a), violates the provision of Section 5(d), or breaches any representation, warranty or covenant under Section 10 hereof, and Purchaser is not then in default under this Agreement, then Purchaser shall give Seller written notice of such noncompliance, and the failure of

Seller to correct or cure such noncompliance within ten (10) days after Purchaser has given Seller written notice of such noncompliance shall constitute a default hereunder (a "**Seller Default**").

(ii) Upon the occurrence of a Seller Default, Purchaser shall be entitled to either (A) terminate this Agreement, whereupon the Seller shall pay the Deposit to Purchaser, and Seller shall be liable to Purchaser for all of Purchaser's damages and losses relating to the Seller Default, or (B) pursue an action for specific performance of Seller's obligations hereunder and if permitted for any damages caused by the delay in conveyance.

9. Purchaser's Conditions Precedent to Closing. The following conditions shall exist at the time of Closing hereunder, and the obligation of Purchaser to purchase the Property pursuant to the terms of this Agreement shall be conditioned only upon and subject to the satisfaction of (or waiver in writing by Purchaser) of each such condition:

(a) This Agreement shall not have been terminated by Purchaser during the Feasibility Study Period as provided in Section 4 and the status of title to the Property shall be as set forth in Section 5.

(b) No part of the Property shall have been acquired, or shall be about to be acquired, by authority of any governmental agency in the exercise of its power of eminent domain or by private purchase in lieu thereof.

(c) All written notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any court against or affecting the Property that would interfere with Purchaser proceeding with its intended development of the Property, shall have been complied with by Seller and the Property shall be free and clear thereof.

(d) Seller shall not be in breach of its representations and warranties as set forth in Section 10 hereof. All representations and warranties of Seller shall be true and correct as of the date of Closing.

(e) Seller shall have performed and complied with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(f) Purchaser shall have obtained the Project Approvals (as defined in Section 11).

If any of the foregoing conditions are not fully satisfied as of Closing, Purchaser may, at its option, either (A) waive such unsatisfied condition precedent and proceed to Closing; (B) terminate this Agreement, whereupon the Deposit shall be paid to Purchaser, and except in the case of a Seller Default or a Purchaser Default the parties hereto shall thereafter be relieved of all further obligation and/or liability hereunder other than Purchaser's indemnity obligations under Sections 4 and Purchaser's obligation to deliver to Seller certain documents described in Section 5; or (C) extend the date of Closing one or more times for up to one hundred eighty (180) days in the aggregate. In the event that Purchaser chooses option (C) above and all conditions precedent to Purchaser's obligations are not satisfied to Purchaser's satisfaction (or waived in writing by Purchaser) within such additional period, Purchaser shall have the option to (Y) waive such unsatisfied condition(s) precedent and proceed to Closing, or (Z) terminate this Agreement, whereupon the Deposit shall be paid to Purchaser, and the parties hereto shall thereafter be relieved of all further liability and/or obligation hereunder other than Purchaser's indemnity obligations under Sections 4.

10. <u>Representations; Warranties; Covenants</u>.

(a) The Seller hereby warrants, represents and/or covenants, as applicable, to Purchaser as follows:

(i) To the Seller's knowledge, there are no matters not of record that have the effect of Seller not now holding and at Closing holding good indefeasible, fee simple, marketable title to the Property subject only to the Permitted Exceptions.

(ii) Seller has the power to enter into this Agreement and to sell the Property in accordance with the terms and conditions of this Agreement, and to the best of Seller's knowledge no other party has any ownership or other interest therein or rights to consent to the terms of this Agreement.

(iii) Neither Seller nor any related entity shall, while this Agreement is in effect, enter into any other option or contract of sale or execute any deeds, declarations, preferences, conditions, restrictions, zoning proffers, covenants, easements, or rights-of-way materially adversely affecting the Property or otherwise convey or encumber, or do anything to permit any lien or encumbrance upon the Property (other than the Permitted Exceptions), or any interest therein, without the prior written consent of the Purchaser.

(iv) To the knowledge of the Seller, there is no litigation or proceeding of any type pending, or threatened against or relating to the Property or to the Seller's ability to sell the Property.

(v) This Agreement and all documents executed by the Seller which are to be delivered to Purchaser at Closing are or at the time of Closing will be duly authorized, executed, and delivered by Seller, and are or at the time of Closing will be legal, valid, and binding obligations of Seller.

(vi) To Seller's knowledge, this Agreement does not violate the terms of any other contract or agreement to which Seller is a party.

(vii) To Seller's knowledge, the execution of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which the Property or Seller is affected or to which Seller is a party.

(viii) Other than for office trailers that will be removed from the Property by Seller by the Closing when required by Purchaser to permit it to proceed with the Project, the Property is vacant; there are no leases, tenancies or occupancy agreements affecting all or any portion of the Property, and no party other than Seller has any right or claim to possession of all or any portion of the Property and, as of the date of Closing, there shall be no leases, tenancies or occupancy agreements affecting all or any portion of the Property.

(ix) No representation, warranty or covenant by Seller in this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements therein not misleading. The representations and warranties made herein in subsections (ii), (iii), (v), and (viii) shall be true and correct at the time of Closing, and all exhibits attached hereto are fully accurate, true and complete to the best of Seller's knowledge and belief. If Seller obtains knowledge that any of its representations and warranties set forth in this Section 10(a) are untrue or become untrue or incorrect in any respect, Seller shall promptly notify Purchaser in writing of same.

(b) The Purchaser hereby warrants, represents and/or covenants, as applicable, to Seller as follows:

(i) This Agreement and all documents executed by the Purchaser which are to be delivered to Seller at Closing are or at the time of Closing will be duly authorized, executed, and delivered by Purchaser, and are or at the time of Closing will be legal, valid, and binding obligations of Purchaser.

(ii) To Purchaser's knowledge there is no litigation or proceeding of any type pending, or to the knowledge of the Purchaser, threatened against or relating to the Purchaser's ability to purchase the Property. The Purchaser knows of no reasonable grounds or any basis for any such action.

11. Government Applications. As of the date hereof, Purchaser shall have the right to make application to federal, state, local and private agencies to obtain such approvals, permits, or variances as may be necessary to develop, own and operate the Property as contemplated, including, but not limited to, approvals by the Maine Public Utility Commission and site plan approval by the City of Portland (collectively, the "**Project Approvals**"). Seller agrees to cooperate with Purchaser in the processing of such applications, executing applications when required.

12. Brokerage. The Seller recognizes that Purchaser is a licensed Maine Real Estate Agent. Purchaser and Seller each represent and warrant to the other that no agent, broker or finder has acted for it in connection with this Agreement and the sale of the Property. Each party (a "**Brokerage Indemnitor**") agrees to indemnify the other party (a "**Brokerage Indemnitee**") from and against any and all claims, liabilities, suits, damages, causes of action, judgments, verdicts, exposures (including reasonable attorneys' fees) or costs arising from any claim against a Brokerage Indemnitee by any broker, agent, salesperson or other representative for any fees or commissions arising by reason of any action on the part of a Brokerage Indemnitor.

13. Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

14. Further Assistance. The Seller and Purchaser agree to execute such additional documents and to furnish such additional data as may be reasonably necessary to consummate the transactions provided for in this Agreement.

15. Effective Date. The Agreement shall become effective and shall be binding upon Purchaser only after it has been executed by both parties and a fully executed copy delivered to Purchaser and Seller by facsimile transmission or otherwise.

16. Notices. All notices, demands and communications permitted or required to be given hereunder shall be in writing, and, if mailed registered or certified United States mail, return receipt requested, first class postage prepaid, shall be deemed given on the earlier to occur of two (2) days after the date of mailing thereof or the date of actual receipt; all other notices not so mailed shall be deemed given on the date of actual receipt. Notices shall be addressed to Seller or Purchaser, as the case may be, at the address or facsimile number shown below or to such other address or facsimile number as either

party shall notify the other in accordance with the provisions hereof. Actual receipt for purposes of notice given by facsimile shall be when the notice is transmitted to the party's facsimile number specified below and confirmation of receipt is received by the transmitting party during normal business hours or on the next business day if not confirmed during normal business hours (normal business hours deemed to end at 5:00 p.m., Monday through Friday, except legal holidays):

If to Seller:	Cianbro Corporation Hunnewell Square Pittsfield, ME 04967 Attn: Thomas E. Stone CFO and Treasurer FAX: 207-679-2463
If to Purchaser:	Central Maine Power Company 83 Edison Drive Augusta, ME 04336 Attn: Kenneth Freye Manager Real Estate Services FAX: 207-626-9503
With a copy to:	Robert E. Stevens Curtis Thaxter Stevens Broder & Micoleau LLC One Canal Plaza PO Box 7320 Portland, ME 04112-7320 FAX: 775-0612

17. Assignment. This Agreement may not be assigned by either party without the other party's prior written consent; provided, however, that Purchaser may, without the prior consent of Seller, written or otherwise, assign this Agreement to any corporate affiliate of Purchaser (a "**Corporation**").

18. Miscellaneous Provisions. This Agreement contains the entire agreement between the parties hereto and is intended to be an integration of all prior or contemporaneous agreements, conditions or undertakings between the parties hereto; there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between and among the parties hereto other than as herein set forth. No change or modification of this Agreement shall be valid unless the

same is in writing and signed by Seller and Purchaser. No purported or alleged waiver of any of the provisions of this Agreement shall be valid or effective unless in writing signed by the party against whom it is sought to be enforced. This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective estates, legal representatives, successors and assigns. The representations, warranties and covenants of the parties hereto shall be merged into the Deed. Wherever herein reference is made to "days", the same shall mean "calendar days". Wherever in this Agreement a time period shall end on a day which is a Saturday, Sunday or legal holiday, said time period shall automatically extend to the next date which is not a Saturday, Sunday, or legal holiday. If any provision of this Agreement or the application thereof to any person or circumstance shall be held violative of any applicable laws or unenforceable, for any reason, the invalidity or unenforceability of this or any such provision shall not invalidate or render unenforceable any other provision hereof, which shall remain in full force and effect. Except as set forth above, this Agreement may not be assigned by either party without the other party's prior written consent. This Agreement shall be governed by and construed in accordance with the laws of the State of Maine. This Agreement may be executed in counterparts. Time is of the essence. Representations, warranties and covenants set forth herein shall survive Closing.

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned parties have duly executed this Agreement under seal on the dates indicated above their respective signatures.

WITNESS:

Susan Sidelinger
Susan Sidelinger
Printed Name:

PURCHASER: December 24, 2003

CENTRAL MAINE POWER COMPANY

By: Stephen G. Robinson
Name: Stephen G. Robinson
Its Vice President of Electric Technical Services

SELLER: December 24, 2003

CIANBRO CORPORATION

By: ______________________
Name: Thomas E. Stone
Its CFO and Treasurer

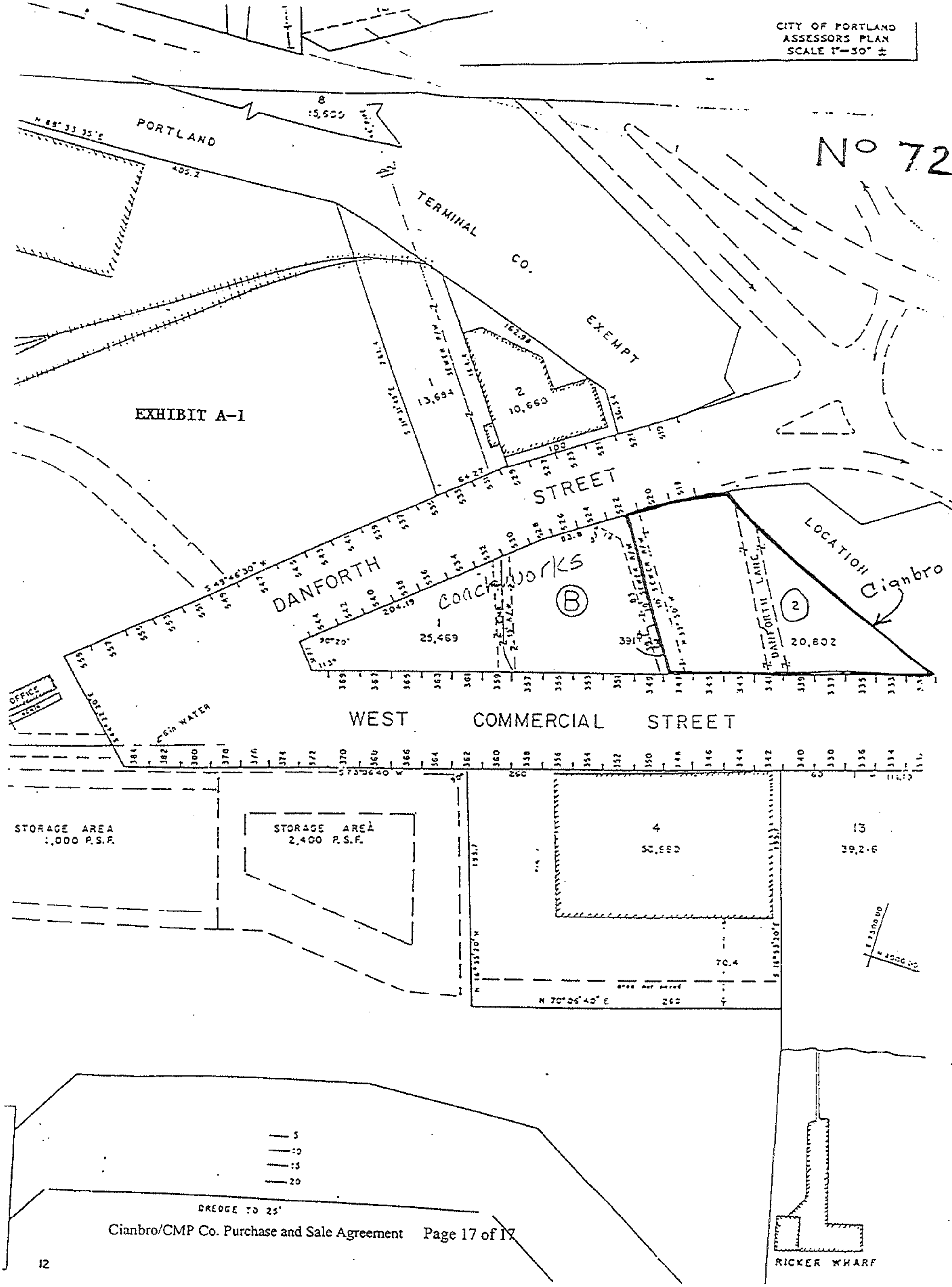
O:\R1\S\1 1952-CMP Cianbro Fdd site\Purchase and Sale Agreement 12-23-03.DOC

EXHIBIT A

DESCRIPTION OF THE PROPERTY

Property described in the following deeds:

1. Bernstein & Jacobson (Receivor's Deed) to Cianbro - dated 12/22/71 - Book 3207/Pg 802
2. Bernsetein & Jacobson (Receivor's Deed) to Ciabnro - dated 12/22/71 - Book 3207/Pg 806
3. Nellie Jacobson (Warranty Deed) to Cianbro - dated 1/13/72 - Book 3209/Pg 218
4. James O. Cobb (Warranty Deed) to Cianbro - dated 7/1/74 - Book 3567/Pg 293


CITY OF PORTLAND
ASSESSORS PLAN
SCALE 1"=30' ±
N° 72
EXHIBIT A-1
PORTLAND
TERMINAL CO. EXEMPT
8
15,500
1
13,684
2
10,660
DANFORTH STREET
LOCATION
Cianbro
Coachworks
B
2
20,802
1
25,469
DANFORTH LANE
WEST COMMERCIAL STREET
6in WATER
OFFICE
STORAGE AREA
1,000 P.S.F.
STORAGE AREA
2,400 P.S.F.
4
50,550
13
39,2·6
70.4
DREDGE TO 25'
RICKER WHARF

Appendix 5

Sidewalk Waiver

Sidewalk Waiver Request

Central Maine Power requests a waiver from the requirements of sections 14-498 and 14-499 pertaining to the construction of curbs and sidewalks as permitted in section 14-506 (b). We believe that the site meets the conditions for a waiver of both the sidewalk and curbing, since they would serve no practical purpose on West Commercial Street and would conflict with the existing character and uses of the area.

Sidewalks-

1. There is no reasonable expectation for pedestrian usage coming from, going to, and traversing the site.

   The substation will not attract pedestrian usage to this section of West Commercial Street, nor do the adjacent properties attract pedestrian usage. Moreover, given the industrial nature of the proposed use and the adjacent uses, it is reasonable from the perspective of public safety not to encourage pedestrian traffic on West Commercial Street.

2. There is no sidewalk in existence or expected within 1000 feet and the construction of sidewalks does not contribute to the development of a pedestrian oriented infrastructure.

   The City of Portland and the MDOT have planned for significant pedestrian improvements as part of the nearby Portland Connector project; however, those plans have purposefully not directed pedestrians to this area. Therefore, the construction of sidewalks at this site would not be consistent with the proposed development of the pedestrian-oriented infrastructure.

3. A safe alternative-walking route is reasonably available, for example, by way of a sidewalk on the other side of the street.

   Pedestrians can safely pass the site using the sidewalk along the Danforth Street frontage. Since Danforth and West Commercial intersect less than 200 yards to the southwest, the existing sidewalk provides a reasonable alternative for pedestrian access to the west end of the street.

4. The reconstruction of the street is specifically identified in the first or second year of the current Capital Improvement Program.

   The city will not reconstruct the street with CIP funds, however the state will pay to rebuild it as part of the Portland Connector project. The MDOT's roadway design, which was prepared in consultation with the City of Portland and local property owners, does not include sidewalks.

5. The street has been constructed or reconstructed without sidewalks within the last 24 months.

   The street has not been constructed or reconstructed within the last 24 months, however, the character and use of the street was studied in the Portland Connector design process with input from MDOT, the City of Portland and the abutting property owners: Merrill Marine Terminal, Cianbro, Coachworks, and Advantage Gas. The study concluded that the street should not be integrated into the project's pedestrian access system, and excluded it from the area for reconstruction.

6. Strict adherence to the sidewalk requirement would result in the loss of significant site features related to landscaping or topography that are deemed to be of a greater public value.

   West Commercial Street serves large commercial and industrial marine users. It sees frequent use by heavy equipment and oversized vehicles with large turning radii. The wide street and low, flat shoulders make the street especially suited to the marine facilities at this end of the port. An unprotected sidewalk would provide no safety for pedestrians, but a sidewalk protected by a curb or guardrail would diminish the utility and public value of the street.

Curbing-

1. The cost to construct the curbing, including any applicable street opening fees, is in excess of 5% of the overall project cost.

   NA

2. The street is scheduled for major reconstruction as a component of the Capital Improvement Program.

   The city will not reconstruct the street with CIP funds, however the state will pay to rebuild it as part of the Portland Connector project. The MDOT's roadway design, which was prepared in consultation with the City of Portland and local property owners, does not include curbs.

3. The street has been rehabilitated without curbing in the last 60 months.

   NA

4. Strict adherence to the curb requirement would result in the loss of significant site features related to landscaping or topography that are deemed to be of a greater public value.

   West Commercial Street serves large commercial and industrial marine users. It sees frequent use by heavy equipment and oversized vehicles with large turning radii. The wide street and low, flat shoulders make the street especially suited to the marine facilities at this end of the port. A curb would serve no value for storm water management or pedestrian safety, but it would diminish the utility and public value of the street.

5. Runoff from the development site or within the street does not require curbing for stormwater management.

   There currently is no existing curbing along West Commercial Street and there is no curbing proposed for the reconstruction of West Commercial Street as part of the Connector Road project. The existing West Commercial Street drainage flows in roadside swales to a low point in front of the proposed Fore River Substation property. The proposed West Commercial Street drainage will also flow in roadside swales to the same low point. The proposed West Commercial Street is being constructed to essentially the same grade as the existing West Commercial Street.

Appendix 6

Supplemental Information

Supplemental Information for Fore River Substation, Portland, Site Plan Approval

Mineral Oil/SPCC

Each of two transformers to be located at the new Fore River Substation will contain approximately 6,000 gallons of mineral oil. This oil is used for electrical insulation and heat dissipation. Federal law requires that owners/operators of all facilities containing 1,320 gallons or more of oil, develop a Spill Prevention, Control, and Countermeasure (SPCC) plan for these facilities. This plan includes a site plan of the facility, and identifies the types and quantities of oil-containing equipment on site, proximity to water and other site drainage characteristics, containment, control and cleanup supplies and measures to be taken in the event of a spill, emergency contact numbers, responsible individuals, and inspection requirements. This plan must be developed before oil-containing equipment is installed on site. An SPCC plan is being prepared for this facility, and will be finalized prior to oil-containing equipment arriving on site.

Sound Levels

The proposed substation transformers will generate sound during normal operation. CMP will require that these transformers meet National Electric Manufacturers Association (NEMA) TR-1 standards. Specifically, these units produce an average sound level of no more than 72 dBA, measured at a distance of 2 meters from the transformer, at full voltage, with first stage fans operating.

Actual sound levels will depend on obstructions within the substation yard, other nearby sound sources, and other variables. However, expected sound levels can be estimated. The rule of thumb for sound attenuation is that for each doubling of distance from the "acoustic center" (the point source of the sound), dBA level is reduced by 6. Based on this, and based on an approximate transformer dimension of 24 feet by 18 feet, sound levels would be 72 dBA at 6 feet from the transformer's long dimension. However, given two transformers with identical sound level emissions, the dBA level would be increased by 3 dBA to approximately 75 dBA at 6 feet from either/both transformers, which would coincide with 18 feet from the acoustic center of the transformers. For each doubling of this 18 foot distance, dBA would decrease by approximately 6 dBA.

Based on the above, approximate anticipated sound levels would be 69 dBA @ 24 feet from the transformers, 63 dBA @ 42 feet from the transformers (coinciding with the approximate location of the front fenceline), 57 dBA @ 60 feet from the transformers, and 51 dBA @ 78 feet from the transformers.

Portland's Code of Ordinances, Section 14-320.3(b) (Performance Standards, Noise), includes sound level limits in the Waterfront Port Development (WPD) zone. Specifically, with limited exceptions (none of which apply to this substation project) in the WPD zone sound levels may not exceed 55 dBA at or within the boundaries of any residential zone between 7:00 PM and 7:00 AM.

Tonal sounds (as defined in this subsection), while generated in the form of a hum, will be somewhat mitigated by the presence of a 3 foot high retaining wall at the rear of the substation, as well as the distance of this substation from any residences, about 500 feet.

Based on preliminary site layout information and anticipated sound level attenuation, the substation facility will be well below this 55 dBA limit at the residential zone boundary, and will meet this standard.

SF6 Gas

Sulfur hexafluoride (SF6) is a colorless, odorless, inert, and nonflammable liquefied, compressed gas having electrical insulation qualities. It is heavier than air. The Fore River Substation will utilize SF6 gas in 25 to 30 separate, pressurized compartments. The total weight of this gas will be in the range of 1,750 to 2,100 pounds, based on an average quantity of 70 pounds per compartment. These quantities are very preliminary, and may change based on final substation design.

CMP participates in the United States Environmental Protection Agency's "SF6 Emissions Reduction Partnership", a voluntary program whereby CMP agrees to track its use and releases of SF6, minimize those releases, and set annual goals to continually reduce incidental release of this gas.