

RHOADS & SINON GROUP LLC

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HARRISBURG, PA 17101

Taxpayer ID # 251853684

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M E M O R A N D U M

TO: Maritimes Settlement Fund
Contact list

DATE: June 19, 2006

RE: Maritimes Settlement Fund
Established for Production Deliveries beginning June 2006

An Order of the Federal Energy Regulatory Commission approving the contested settlement at Docket No. RP04-360-000, Maritimes & Northeast Pipeline, L.L.C. was issued May 15, 2006. The settlement contains a provision for the establishment of the State of Maine Maritimes Settlement Fund. The purpose of the Maritimes Settlement Fund is to reduce the delivered cost of natural gas to Maine consumers and thereby encourage natural gas usage and general economic development within the State.

Pursuant to Article I of the Settlement, the Public Advocate, State of Maine has appointed Rhoads & Sinon Group, LLC (R&S) as Trustee for the purpose of establishing, maintaining and administering an interest bearing account to receive and distribute proceeds to be disbursed annually by Maritimes for distribution to natural gas consumers within the State of Maine. The initial credit has been established at \$0.02 per Dth for "end-use customers" located in Maine and who are end-use consumers of natural gas that is delivered over the Maritimes system.

The Trustee will establish the Fund and accept applications for reimbursement of support for eligible deliveries that have been made beginning with the month of June 2006. All requests for reimbursement from the Fund should be presented to the Administrator in the form of an invoice, no more frequently than monthly. Reimbursement Invoices are to include supporting documentation. Supporting documentation from local distribution companies must include 1) a copy of the monthly statement from Maritimes, issued on or about the 10th of each month, for the corresponding monthly Dth delivery, and 2) confirmation of deliveries of natural gas to Maine end-use customers in Dth. Supporting documentation from other Maritimes end user customers requesting reimbursement must include a copy of the monthly statement from Maritimes issued on or about the 10th of each month for the corresponding monthly Dth delivery. LDCs may consider filing on a quarterly basis using the procedure outlined above.

Reimbursement Invoices should be sent to the Maritimes Settlement Fund Administrator at the following address:

Rhoads & Sinon Group, LLC
Attn: David Rolka
C/O Maritimes Settlement Fund
One South Market Square
Harrisburg, PA 17101

January 23, 2007

Page 2

Invoices received by the Trustee by the 25th of the month, for Dth delivered to Maine end-use customers for the preceding period will be processed for payment by the 5th business day of the following month. For example, qualified deliveries made in June 2006 can be included in an invoice to the Trustee by the 25th of July 2006 for reimbursement by the fifth business day of August 2006.

Additional information regarding the Maritimes Settlement Fund will be available soon on the R&S web site: <http://www.rhoads-sinon.com/publicutility/stateUSF.htm>. If you have questions regarding the Maritimes Settlement Fund please contact either Stephen Ward of the Maine Public Advocate office at Stephen.G.Ward@maine.gov or David Rolka at R&S at drolka@rhoads-sinon.com.

cc: SW