

MEMORANDUM OF UNDERSTANDING
Between
THE TOWNS OF CUMBERLAND, FALMOUTH AND YARMOUTH
And
SUMMIT NATURAL GAS OF MAINE

This Memorandum of Understanding (hereinafter "MOU") by and between the Towns of Cumberland, Falmouth and Yarmouth, municipal corporations of the County of Cumberland and State of Maine (hereinafter the "Towns"), and Summit Natural Gas of Maine, a Maine foreign business corporation (hereinafter "Summit") constitutes the agreed upon performance expectations of each party in the coordinated effort to provide natural gas service to the residents, businesses and government institutions of the Towns.

Whereby the Towns and Summit have a common interest in safely and efficiently providing natural gas to the residents, businesses and government institutions of the Towns, the purpose of this MOU is to establish a working relationship between the Towns and Summit to further said common interest and to outline the understandings and intentions of each party with regard to the achievement of this shared objective. The Towns and Summit seek to offer their respective expertise and resources when necessary and appropriate in order to achieve these goals jointly.

To ensure the successful collaborative implementation of the understandings and intentions of each party, the Towns and Summit agree that:

1. **Public Utilities Commission.** The Towns will independently and/or collectively support Summit in its filing for Second Utility Status with the Maine Public Utilities Commission (hereinafter the "Commission") by filing petitions for intervenor status with the Commission and participating in hearings and meetings as may be requested by Summit or deemed necessary by the Towns. The Towns will also submit to the Commission letters in support of Summit's filing for Second Utility Status to furnish natural gas service in the communities of Cumberland, Falmouth and Yarmouth.
2. **Environmental Considerations.** Summit will explore, consider and evaluate opportunities by which the company and its customers may contribute on a voluntary basis to energy efficiency programs or greenhouse gas reduction programs through a voluntary customer surcharge or the purchase of voluntary carbon offsets. The Towns will individually evaluate any opportunities presented by Summit to determine if the offering and establishment of a voluntary surcharge program is in the best interest of its potential residential and business consumers.
3. **Community Involvement.** The Towns will host informational sessions open to all residents and business owners at which Summit will present detailed information regarding construction and future expansion of the pipeline system, the conversion process and associated costs, safety considerations for customers and technicians, and estimated projections for natural gas commodity prices. Summit will engage a local marketing firm to prepare and distribute printed informational materials to residents and business owners of the Towns in order to achieve their saturation goal of 95% within eight years. Summit will also join the local Chambers of Commerce and offer


informational programs to promote natural gas conversion to member businesses within the Towns.

4. **Conversion and Conservation Incentives.** The Commission has approved a Conversion and Conservation Incentive Rebate Program that Summit will offer to residential customers within the Towns. Pursuant to this program, residential customers within the Towns will receive rebates for an Efficiency Maine approved energy audit and air sealing, as well as rebates for the cost of converting and replacing appliances and systems.
5. **Saturation & Expansion.** Summit will ensure that it has sufficient capacity to serve the Towns at full saturation with respect to gas supply, pipeline sizing, and construction, conversion and customer support staffing. Summit will also design and construct a pipeline that maximizes saturation in each of the towns and commit to working with potential customers that are located beyond the proposed pipeline network in order to provide them with opportunities to connect.
6. **Public Institutions.** To the extent economically and practically preferred by the Towns as determined on an individual basis, the Towns commit to convert institutional buildings to natural gas including, but not limited to, the town halls, public works facilities and schools.
7. **Permits.** The Towns will develop a common road opening permit process to be expediently and consistently implemented throughout the pipeline construction process. Summit and its subcontractors will adhere to this process and will commit to protect and restore when necessary the existing condition of the infrastructure of the Towns through all phases of construction. The Towns may seek to secure performance guarantees from Summit and/or its subcontractors as may be necessary and appropriate.
8. **Safety.** Summit will conduct the construction process in accordance with all applicable laws and regulations related to safety, construction and operations. Summit will provide satisfactory training to all of its employees and subcontractors in accordance with all applicable laws and regulations, as well as procedures and manuals as approved by the Commission for Summit's construction activities in the state of Maine. Summit will also provide training on its infrastructure and facilities for emergency response personnel and public officials of the Towns.

This MOU embodies the principle understandings of the Towns and Summit, but shall not create any legal relationship, rights, duties, or obligations binding or enforceable at law or in equity. Nothing in this MOU is intended to or will be construed to limit or affect in any way the legal responsibilities or authorities vested by applicable law or regulation of the Towns or Summit. Notwithstanding the foregoing, the Towns and Summit shall in good faith endeavor to achieve the understandings and intentions as contemplated herein.

This MOU shall be effective as of the date the last participant executes the MOU and remains in effect until such time as Summit has completed construction activities within all of the towns. While in effect, the MOU may be modified only by written agreement executed by all parties.

TOWN OF CUMBERLAND

By: 
William R. Shane, Town Manager

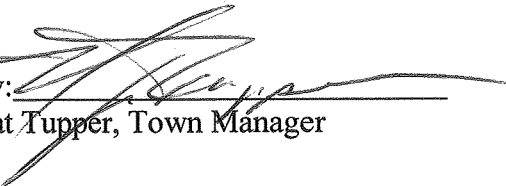
Date: 4/18/2013

TOWN OF FALMOUTH

By: 
Nathan Poore, Town Manager

Date: April 18, 2013

TOWN OF YARMOUTH

By: 
Nat Tupper, Town Manager

Date: April 18, 2013

SUMMIT NATURAL GAS OF MAINE, Inc.

By: 
Timothy Johnston, Executive Vice President & CSO

Date: May 8, 2013