

VAN BUREN LIGHT & POWER DISTRICT

REQUEST FOR PROPOSALS FOR STANDARD OFFER BIDS

RFP # _____

SEPTEMBER 12, 2006

Van Buren Light & Power District (VBL&P), is a consumer-owned distribution utility located in Aroostook County, Van Buren, Maine.

In accordance with Maine statute, VBL&P is conducting a competitive bidding process to select a single Standard Offer Provider (SOP) for the VBL&P service territory.

The SOP must meet the licensing requirements of 65 407 CMR 305; the financial capability requirements of 65 407 CMR 301; and the renewable resource portfolio requirements of 65 407 CMR 311.

The successful SOP will be required to enter into a Standard Form Contract with VBL&P.

Effective Date: January 1, 2007 at the beginning of the hour ending 1:00 a.m. EST

Amount: The VBL&P has a single standard offer service class that contains customers within its service territory. The SOP shall provide all of the standard offer requirements at its bid price. Standard Offer service shall include all line losses on the Maine Public Service Co. (MPS) transmission system and within the distribution system of VBL&P. Present losses on the MPS system are 1.65%. Present losses on the VBL&P system are 7%.

The SOP shall be responsible for all losses. If the MPS system losses change during the term of the standard offer contract from 1.65%, the SOP continues to be responsible for MPS losses. The VBL&P losses are fixed for the term of the standard offer contract.

Monthly kWh and kw data for VBL&P for year 2005 is attached as Exhibit A. VBL&P has approximately 1500 customers. CEP load shall be excluded from the Standard Offer for VBL&P. Currently it is .5% of the existing load.

Rate: The Standard Offer rate shall be an amount per kWh that does not vary by level of usage, or by time of year or day. The rate structure shall not include any demand charges nor any amounts on a per customer fixed-charge basis.

Rates, terms, and conditions for Standard Offer service shall not vary within the VBL&P service territory on the basis of customer location.

VBL&P shall charge the SOP for administering standard offer service, including providing basic bill issuance, bill calculation, and collections pursuant to VBL&P's Terms and Conditions effective August 1, 1999. These fees shall remain fixed for the duration of this standard offer term.

The SOP shall be allocated the uncollectibles percentage within the VBL&P service territory it serves. The uncollectibles percentage for VBL&P is .36%.

Standard Offer bids shall include the bidder's price for meeting all the obligations of providers under Maine statute, the Rules of the Maine Public Utilities

Commission, and the Terms and Conditions of the VBL&P in whose territory it provides Standard Offer service.

Payment: The selected SOP will receive its bid price for the Standard Offer requirements it serves, reduced by the percentage of uncollectibles.

Term: As determined by VBL&P.

Delivery Point: Electricity supply required by standard offer customers shall be supplied to the MPS transmission system to be administered by the Northern Maine Independent System Administrator (NMISA). The delivery point for VBL&P shall be at the VBL&P Substation in Van Buren, Maine at 69KV.

Ancillary Service: The SOP shall make all arrangements for, and responsible for the provision of and payment for all ancillary services associated with supply of its capacity and energy on the MPS transmission system and to the VBL&P delivery point. The SOP shall comply with all applicable NMISA requirements, rules, and regulations, and shall be designated load serving entity with settlement account pursuant to NMISA rules for its standard offer load obligations.

Network Transmission: Transmission arrangements and payments for Network Transmission Service shall be the responsibility of the VBL&P or its customers.

Proposals must be received no later than 12:00 p.m. EST on October 5, 2006

All proposals shall be made on a "best offer" basis. Proposals will be held in confidence, to the extent possible, consistent with the provision of Maine's Freedom of Access law. No offers will be considered which are received after the closing date. VBL&P reserves the right to reject any and all offers.

EXHIBIT A

2005	MONTHLY kWh	MONTHLY kw
January	1,440,000	2,820
February	1,209,600	2,572
March	1,299,600	2,351
April	1,188,000	2,250
May	1,173,600	2,450
June	1,144,800	2,535
July	1,090,800	2,324
August	1,098,000	2,103
September	1,036,800	2,111
October	1,144,800	2,205
November	1,191,600	2,661
December	1,396,800	2,892