Bangor Hydro Electric Company

Proposed Terms, Conditions, Disclosures and Disclaimers for

PowerSmart Web Portals, On-Line Bill Pay and Use of the Website

The following provisions are proposed for adoption as the company's website terms and conditions of use:

BANGOR HYDRO ELECTRIC COMPANY

ONLINE SERVICES TERMS AND CONDITIONS OF USE

(Revised October 26, 2011)

This website is operated by Bangor Hydro Electric Company. Throughout the site, the terms "we," "us" and "our" refer to Bangor Hydro Electric Company and its affiliates and subsidiaries (collectively, hereinafter "BHEC"). BHEC offers this website, including, without limitation, all information, tools and services available from this site, all data, content, software, function, and materials set forth herein and available herein (collectively, the "Website") to you, the user, conditioned upon your acceptance of all the terms, conditions, policies, notices and disclaimers stated here. Your use of this Website constitutes your agreement to these Terms and Conditions of Use.

PRIVACY POLICY

Our Commitment to Privacy

BHEC is firmly committed to ensuring online user privacy. We provide this notice to explain our online information-gathering practices and the choices you can make about the way information about you is collected and used. Since your privacy is important to us, BHEC takes reasonable precautions to prevent unauthorized access, maintain data accuracy, and ensure the correct use of information. While no security system is absolutely safe, we have put in place appropriate physical, electronic, and managerial procedures to safeguard and secure the information we collect online and to protect your personally identifiable information from loss, misuse, alteration and destruction.

BHEC does, at times, contract with third party service providers to perform certain business functions on our behalf ("Third Party Providers"), including, without limitation, surveying, analyzing data, providing marketing assistance, providing search results and links, providing online bill paying services, providing bill printing and mailing services, processing credit card and other bill payments, providing customer service, conducting research, promoting programs,

and managing program enrollment. Such Third Party Providers have access to personal information needed to perform their specific business functions, but may not use it for other purposes. Furthermore, such third party providers are either subject to these Terms and Conditions of Use or follow practices at least as protective as those described in these Terms and Conditions of Use.

In some areas of our Website, we require a user ID and password for you to access certain information. BHEC will not disclose passwords to third parties, other than such Third Party Providers who need passwords to perform their specific business functions.

You are responsible for maintaining the privacy and security of your password, user name, e-mail address and related information.

The Information We Collect

This notice applies to all information collected or submitted on this Website by BHEC and its Third Party Providers. BHEC does not collect personally identifiable information about you unless you voluntarily provide it. At any time, before you submit, you may opt-out of providing such information by closing this Website.

Examples of personally identifiable information which you may provide to us while using our site include:

- E-mail address
- Name
- Phone number
- Account number (if you are a current customer)
- Information about your computer and browser
- E-billing and other on-line services information that is linked to you via your password, if you use those services.
- Zip code

The Way We Use Information

Aggregate Information (non-personally identifiable). In general, when you visit this Website to read or download information, we collect and store only the following generic information about your visit:

- the IP address (which is a number that is used by computers on the network to identify your computer so that data, such as the web pages you request, can be sent to you) and/or the name of the domain from which you access the Internet (for example, aol.com if you are connecting from an America Online account)
- the date and time of access to our Website
- the path taken through our Website
- the Internet address of the Website which linked directly to our site

This data does not include any personally identifiable information or details.

We use non-identifying and aggregate information about site visitors to measure the number of visitors to the different sections of our site, to help us make our site more useful to visitors, and to assess login performance of the Website.

Personally Identifiable Information. We use the personally identifiable information you provide us to:

- Fulfill your request for various services
- Help you quickly find and/or receive information about BHEC
- Alert you to updated information and services
- Provide tailored promotions and offers
- Provide more complete service
- Improve the content and performance of our Website
- Answer your questions
- Measure the number of unique and repeat visitors to our customer web portals to determine the frequency of use of those portals, to measure the success of the web portals, to help make our web portals more useful to visitors, and to correlate the number of times the web portal was visited with any changes in consumption of electricity.

The Way We Share and Disclose Information

Aggregate Information (non-personally identifiable). We share aggregated demographic information about our user base with some third party service providers. This information does not identify individual users. We do not link aggregate user data with personally identifiable information.

Personally Identifiable Information. We share your personally identifiable information with specific employees of BHEC who are only permitted to use personally identifiable information within the scope of their employment in connection with the provision of services to you. We do not share your personally identifiable information with third party companies or organizations other than our Third Party Providers who are only permitted to use personally identifiable information for the particular business purposes specified by BHEC.

We never sell your personally identifiable information.

We reserve the right to disclose your personally identifiable information as required by law and when we believe that disclosure is necessary to protect our rights and/or to comply with a judicial proceeding, court order, or legal process.

Finally, we never use or share the personally identifiable information provided to us online in ways unrelated to the ones described above without also providing you with an opportunity to opt-out or otherwise prohibit such unrelated uses.

For more information on the way we share and disclose personally identifiable information about e-billing transactions, please review the BHePAY User Agreement set forth in the e-billing section of this Website.

The Way We Store Information

A cookie is a piece of data stored on your hard drive or in your computer's memory containing information about your visit. We use session cookies to make it easier for you to navigate our site by allowing you to visit pages within our site without having to input personal information every time you click a link within the site. A session cookie expires when you close your browser.

If you reject cookies, you may still use our site, but your ability to use some areas of our site may be limited.

We collect certain information automatically and store it in log files. This information includes internet protocol (IP) addresses, browser type, internet service provider (ISP), referring/exit pages, operating system, date/time stamp, and clickstream data. We use this information to administer the Website, to analyze trends, to track users' movements around the site and to gather demographic information about our entire user base. We sometimes link this automatically-collected data to personally identifiable information in order to troubleshoot problems and to provide customer support assistance to users of our Website.

For privacy and security reasons, minimal customer-specific information is stored solely for the purpose of user authentication. All information gathered when using our e-billing service called BHePAY or other on-line services is stored in a secure database.

When you link to other sites from this Website, our Privacy Policy no longer applies. Since those websites may use cookies, you should review the other sites' privacy policies.

Changes to this Privacy Policy

The effective date of this Privacy Policy is listed in the heading of our Terms and Conditions of Use set forth above. We reserve the right to change this Privacy Policy from time to time and without notice. Changes to this Privacy Policy will be posted to this site accordingly. You may want to visit this page periodically to review the current policy. This statement, and the policies outlined herein, are not intended to and do not create any contractual or legal rights on behalf of any party. If we decide to change our Privacy Policy, we will post those changes here and in

other places we deem appropriate so that you are aware of what information we collect, how we use it, and under what circumstances, if any, we disclose it.

Changes to your Personally Identifiable Information

If your personal information changes, or if you no longer desire our service, you may correct, update, or deactivate it by making the changes in our web portal system or by contacting our Customer Service by either email at customerservice@bhe.com or telephone (toll free) at (800) 499-6600.

CHILDREN'S PRIVACY

This Website contains information about electricity and energy and links to games and activities that may be of educational interest to children. We do not intend to gather personal information online from or about children. We encourage all children and young teens to seek consent from their parents before providing any information about themselves, their families, or their homes to anyone on the Internet.

LINKS

This Website contains links to other websites, some of which are operated by BHEC and others of which are operated by third parties. These links are provided as a convenience to you and as an additional avenue of access to the information contained therein. We have not necessarily reviewed all the information on those other sites and are not responsible for the content of those or any other sites or any products or services that may be offered through those or any other sites. Inclusion of links to other sites should not be viewed as an endorsement of the content of linked sites. Different terms and conditions may apply to your use of any linked sites. BHEC is not responsible for any losses, damages or other liabilities incurred as a result of your use of any linked sites.

USE OF SECURE PORTIONS OF THIS WEBSITE

Registration

In order to use the secure portion of this Website, where you can view account information and make transactions, you must first complete the registration form and create a user name and password. During registration you must provide contact information (such as name and email address). We use this information to provide you with the services on our Website which you have requested. By registering on our Website, and in consideration of your use of our Website, you agree to provide true, accurate, current and complete information about yourself.

Password Protection

You are responsible for protecting your password, user name, e-mail address and related information that is required to use some of the features on this Website. You agree that you will be responsible for any and all statements made, and acts or omissions that occur, through the use of your password. If you have any reason to believe or become aware of any loss, theft or unauthorized use of your password, notify BHEC immediately. BHEC may assume that any communications BHEC receives under your password have been made by you unless BHEC receives notice otherwise.

User Technical Requirements

In order to use certain secure portions of this Website, you must have a computer system having the following characteristics:

- Adobe Acrobat 6.0 or higher
- Cookies enabled
- Java script enabled

Furthermore, the use of certain secure portions of this Website will be enhanced, and this Website will be best viewed, if you (i) have a resolution of at least 1024x768, and (ii) install Adobe Flash.

ACCURACY, COMPLETENESS AND TIMELINESS OF INFORMATION ON THIS WEBSITE

BHEC is not responsible if information made available on this Website is not accurate, complete or current. The material on this Website is provided for general information only and should not be relied upon or used as the sole basis for making decisions without consulting primary, more accurate, more complete or more timely sources of information. Any reliance on the material on this Website is at your own risk.

Portions of this Website may contain certain tools and information designed to assist you in understanding your electricity usage and making energy choices. Without limiting the foregoing disclaimer, BHEC does not represent or warrant that the tools and information provided will include actual consumption data for all hours of energy usage. Furthermore, the tools and information provided do not contain all charges that will be billed to you, such as taxes. For complete billing information, you must consult your current billing statement.

This Website may contain certain historical information. Historical information necessarily is not current and is provided for your reference only. We reserve the right to modify the content of this

Website at any time, but we have no obligation to update any information on the Website. You agree that it is your responsibility to monitor changes to the Website.

USE OF MATERIALS ON THIS WEBSITE

All content on this Website (including, without limitation, text, design, graphics, logos, icons, images, trademarks, service marks, audio clips, downloads, interfaces, code and software, and the arrangement thereof) is the exclusive property of and owned by BHEC and is protected by copyright, trademark and other applicable laws. Nothing on this Website shall be construed as granting, by implication, estoppel, or otherwise, any such content for any purpose or use except as otherwise described herein.

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You may not use any hardware or software intended to damage or interfere with the proper working of the Website or to surreptitiously intercept any system, data or personal information from the Website. You agree not to interrupt or attempt to interrupt the operation of the Website in any way. BHEC reserves the right, in its sole discretion, to limit or terminate your access to or use of the Website at any time without notice. Termination of your access or use will not waive or affect any other right or relief to which BHEC may be entitled at law or in equity.

DISCLAIMERS

YOUR USE OF THIS WEBSITE IS AT YOUR SOLE RISK. THE WEBSITE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE RESERVE THE RIGHT TO RESTRICT OR TERMINATE YOUR ACCESS TO THE WEBSITE OR ANY FEATURE OR PART THEREOF AT ANY TIME. WE ALSO RESERVE THE RIGHT TO TEMPORARILY SUSPEND OR PERMANENTLY TERMINATE ANY SERVICE, TOOL OR FEATURE CONTAINED ON THIS WEBSITE AT ANY TIME. BHEC EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF TITLE, AND ANY WARRANTIES THAT MATERIALS ON THE WEBSITE ARE NONINFRINGING, AS

WELL AS WARRANTIES IMPLIED FROM A COURSE OF PERFORMANCE OR COURSE OF DEALING; THAT ACCESS TO THE WEBSITE WILL BE UNINTERRUPTED OR ERROR-FREE; THAT THE WEBSITE WILL BE SECURE; THAT THE WEBSITE OR THE SERVER THAT MAKES THE WEBSITE AVAILABLE WILL BE VIRUS-FREE; OR THAT INFORMATION ON THE WEBSITE WILL BE COMPLETE, ACCURATE, ADEQUATE, USEFUL, TIMELY, OR OTHERWISE. IF YOU DOWNLOAD ANY MATERIALS FROM THIS WEBSITE, YOU DO SO AT YOUR OWN DISCRETION AND RISK. YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OF ANY SUCH MATERIALS. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY YOU FROM BHEC OR THROUGH OR FROM THE WEBSITE SHALL CREATE ANY WARRANTY OF ANY KIND.

IN CERTAIN JURISDICTIONS, THE LAW MAY NOT PERMIT THE DISCLAIMER OF WARRANTIES, SO THE ABOVE DISCLAIMERS MAY NOT APPLY TO YOU.

LIMITATION OF LIABILITY

YOU ACKNOWLEDGE AND AGREE THAT YOU ASSUME FULL RESPONSIBILITY FOR YOUR USE OF THE WEBSITE. YOU ACKNOWLEDGE AND AGREE THAT ANY INFORMATION YOU SEND OR RECEIVE DURING YOUR USE OF THE WEBSITE MAY NOT BE SECURE AND MAY BE INTERCEPTED BY UNAUTHORIZED PARTIES.

YOU ACKNOWLEDGE AND AGREE THAT CERTAIN PORTIONS OF THIS WEBSITE ARE PROVIDED TO YOU BY BHEC BUT ARE MADE AVAILABLE TO YOU ON SERVERS AND VIA WEB PAGES HOSTED AND MAINTAINED BY KUBRA DATA TRANSFER, LTD. (“KUBRA”) AND ITS SUBCONTRACTORS, WITH RESPECT TO BHEPAY AND E-BILL SERVICES, AND ITRON, INC. (“ITRON”) AND ITS SUBCONTRACTORS, WITH RESPECT TO THE POWERSMART HOME AND THE POWERSMART PARTNERS WEB PORTALS. YOU ACKNOWLEDGE AND AGREE THAT THE PROVISION OF THOSE PORTIONS OF THIS WEBSITE TO YOU BY EACH OF KUBRA AND ITRON ARE SOLELY THE RESPONSIBILITY OF KUBRA AND ITRON.

YOU ACKNOWLEDGE AND AGREE THAT YOUR USE OF THE WEBSITE IS AT YOUR OWN RISK AND THAT THE WEBSITE IS MADE AVAILABLE TO YOU AT NO CHARGE. RECOGNIZING SUCH, YOU ACKNOWLEDGE AND AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BHEC SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES ARISING OUT OF OR IN ANY WAY RELATED TO THE WEBSITE, OR ANY OTHER WEBSITE YOU ACCESS THROUGH A LINK FROM THIS WEBSITE OR FROM ANY ACTIONS WE TAKE OR FAIL TO TAKE AS A RESULT OF COMMUNICATIONS YOU SEND TO US, OR THE

DELAY OR INABILITY TO USE THE WEBSITE, OR FOR ANY INFORMATION, PRODUCTS OR SERVICES ADVERTISED IN OR OBTAINED THROUGH THE WEBSITE, BHEC'S REMOVAL OR DELETION OF ANY MATERIALS SUBMITTED OR POSTED ON ITS WEBSITE, OR OTHERWISE ARISING OUT OF THE USE OF THE WEBSITE, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE. THIS DISCLAIMER APPLIES, WITHOUT LIMITATION, TO ANY DAMAGES OR INJURY ARISING FROM ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DELETION, DEFECTS, DELAY IN OPERATION OR TRANSMISSION, COMPUTER VIRUSES, FILE CORRUPTION, COMMUNICATION-LINE FAILURE, NETWORK OR SYSTEM OUTAGE, YOUR LOSS OF PROFITS, OR THEFT, DESTRUCTION, UNAUTHORIZED ACCESS TO, ALTERATION OF, LOSS OR USE OF ANY RECORD OR DATA, AND ANY OTHER TANGIBLE OR INTANGIBLE LOSS. YOU SPECIFICALLY ACKNOWLEDGE AND AGREE THAT BHEC SHALL NOT BE LIABLE FOR ANY DEFAMATORY, OFFENSIVE OR ILLEGAL CONDUCT OF ANY USER OF THE WEBSITE. YOUR SOLE AND EXCLUSIVE REMEDY FOR ANY OF THE ABOVE CLAIMS OR ANY DISPUTE WITH BHEC IS TO DISCONTINUE YOUR USE OF THE WEBSITE. YOU AND BHEC AGREE THAT ANY CAUSE OF ACTION ARISING OUT OF OR RELATED TO THE WEBSITE MUST COMMENCE WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ACCRUES OR THE CAUSE OF ACTION IS PERMANENTLY BARRED. BECAUSE SOME JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, OR THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, ALL OR A PORTION OF THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

INDEMNIFICATION

You agree to indemnify, defend and hold harmless BHEC and its affiliates and their officers, directors, shareholders, employees, contractors, agents, licensors, service providers, subcontractors and suppliers from and against any and all losses, liabilities, expenses, damages and costs, including reasonable attorneys' fees and court costs, arising or resulting from your use of the Website and any violation of these Terms and Conditions of Use. If you cause a technical disruption of the Website or the systems transmitting the Website to you or others, you agree to be responsible for any and all losses, liabilities, expenses, damages and costs, including reasonable attorneys' fees and court costs, arising or resulting from that disruption. BHEC reserves the right, at its own expense, to assume exclusive defense and control of any matter otherwise subject to indemnification by you and, in such case, you agree to cooperate with BHEC in the defense of such matter.

JURISDICTION AND APPLICABLE LAW

The laws of the State of Maine govern these Terms and Conditions of Use and your use of the Website, and you irrevocably consent to the jurisdiction of the courts located in the County of

Penobscot for any action arising out of or relating to these Terms and Conditions of Use. We recognize that it is possible for you to obtain access to this Website from any jurisdiction in the world, but we have no practical ability to prevent such access. This Website has been designed to comply with the laws of the State of Maine and of the United States. If any material on this Website, or your use of the Website, is contrary to the laws of the place where you are when you access it, the Website is not intended for you, and we ask you not to use the Website. You are responsible for informing yourself of the laws of your jurisdiction and complying with them.

CHANGES TO THESE TERMS AND CONDITIONS OF USE

BHEC reserves, in its sole discretion, the right to change, modify, add or remove any portion of these Terms and Conditions of Use, in whole or in part, at any time, by posting revised terms on the Website. It is your responsibility to check periodically for any changes we make to the Terms and Conditions of Use. Your continued use of the Website after any changes to the Terms and Conditions of Use or other policies means you accept the changes.

In the event we make material changes to the Terms and Conditions of Use, notice of the changes will be posted on the homepage of this Website and you will be advised of those changes when you log into the Website. At such time, you will have the opportunity to accept such revised Terms and Conditions before proceeding to other areas of the Website, or you may opt-out by closing the Website.

ENTIRE AGREEMENT AND ADMISSIBILITY

These Terms and Conditions of Use constitute the entire agreement and understanding between you and BHEC with respect to the subject matter thereof and supersede all prior or contemporaneous communications and proposals, whether oral or written, between the parties with respect to such subject matter. A printed version of these Terms and Conditions of Use shall be admissible in judicial or administrative proceedings based on or relating to use of the Website to the same extent and subject to the same conditions as other business documents and records originally generated and maintained in printed form. If any provision of these Terms and Conditions of Use is unlawful, void or unenforceable, the remaining provisions thereof will remain in place.

Thank you for visiting our Website.