

Attachment B

WPS Bidder Conditions

WPS Energy's Standard Offer Bid contains pricing with the following contingencies:

- a) Prices are valid for 100% of the Small, Medium, and Large Classes of Standard Offer Service for 26 months inclusive
- b) Increased Costs Associated With Change in Law. If the Maine legislature or the Commission enacts, promulgates, adopts, alters, modifies or waives¹ any law, rule or regulation that relates directly to the provision of standard offer service or the provision of competitive electric service in general after the date hereof (a "Change in Law") and such Change in Law materially increases the Provider's cost to provide standard offer service, Provider shall recover such increased costs in accordance with paragraph (a) or paragraph (b) below, as applicable. Provider shall provide the Commission and, if applicable, the Maine Legislature with a calculation of its increased costs as soon as practicable after becoming aware of a Change in Law or consideration by the Commission or the Maine Legislature of a Change in Law. (a) If the Commission finds that Provider's calculation reasonably reflects its increased costs, the Commission shall increase the price of standard offer service paid by retail standard offer customers at the time a Change in Law becomes effective so that Provider recovers increased costs in accordance with Provider's calculation. (b) If the Commission does not find that Provider's calculation reasonably reflects its increased costs, the Commission may increase the price of standard offer service paid by retail customers such that the Provider recovers increased costs in accordance with the Commission's calculation. In this event, Provider may invoke binding arbitration of the increased cost amount by notice to the Commission. Any such arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except as otherwise provided herein. A final arbitration decision shall be rendered no later than ninety (90) days after the date on which Provider provides notice to the Commission that it has invoked arbitration. To the extent the arbitration panel finds that a change in law has increased the Provider's costs and that the Provider is entitled to a corresponding increase in the price of Standard Offer Service, the arbitration panel will have the authority to award the Provider a liquidated amount payable for service already provided at the increased cost and to award the Provider an increase in the price of standard offer service to be provided for the balance of the standard offer term sufficient to permit the Provider to recover such increased cost.

¹ Except for opt-out fee waivers granted by the Commission pursuant to its January 24, 2001 "Order Adopting Rule and Statement of Factual and Policy Basis" (Docket No. 2000-904).

Notwithstanding the foregoing, if upon receipt of reasonable prior direct notification of a proposed Change in Law, the Provider fails within the time prescribed in such notice to inform the Maine Legislature or the Commission, pursuant to applicable procedures identified in such notice, of the impact that a Change in Law under consideration would have on Provider's cost to provide standard offer service, Provider shall not be entitled to cause the Commission to undertake action with respect to its increased costs or to engage in arbitration proceedings with respect thereto as provided in clause (a) or (b) above.

c) Price options include three scenarios:

(1) Base Prices ("BP")

\$0.0829/kWh (Residential Class)	Jan 07 – Feb 08
\$0.0819/kWh (Residential Class)	Mar 08 – Feb 09
\$0.0904/kWh (Medium Class)	Jan 07 – Feb 08
\$0.0901/kWh (Medium Class)	Mar 08 – Feb 09
\$0.0904/kWh (Large Class)	Jan 07 – Feb 08
\$0.0901/kWh (Large Class)	Mar 08 – Feb 09

Base Prices apply in the event of there being no FERC finding or NMISA Market Rule change that would require an LSE to meet load obligations in Northern Maine with capacity in addition to Balanced Schedule Energy during the applicable term. For the purposes of this bid document;

Balanced Schedule Energy is the energy schedules to meet the Day Ahead Load Obligations for each hour without specific capacity requirements under New Brunswick System Operator Market Rules or ISO New England Market Rules.

(2) BP + Installed Capacity Obligation	\$0.0031/kWh	Jan 07 – Feb 08
	\$0.0026/kWh	Mar 08 – Feb 09

In the event NMISA's market rules are changed or found by FERC order to require an LSE to meet load obligations in Northern Maine with capacity in addition to Balanced Schedule Energy during the applicable term, prices paid to WPS for providing standard offer service will be set as described above depending on how the capacity obligation is defined:

If NMISA market rules impose a capacity requirement that corresponds to an "Installed Capacity Obligation" whereby the obligation is based on (a) an LSE's monthly coincident peak load plus a reasonable reserve margin or (b) an LSE's monthly NCP load or (c) a reasonable equivalent, prices paid to WPS for providing standard offer service may be increased to reflect the reasonable, incremental costs of this obligation, but in no event would prices increase by more than the above Price Change Caps for the Installed Capacity Obligation. For the purpose of determining whether an Installed Capacity Obligation is applicable, a reserve margin determined on a load-ratio share basis of the Control Area's reserve margin requirements is an example of a reasonable reserve margin.

(3) BP + Available Capacity Obligation

\$0.0060/kWh Jan 07 – Feb 08

\$0.0040/kWh Mar 08 – Feb 09

If NMISA market rules impose a capacity requirement that corresponds to an “Available Capacity Obligation” whereby the obligation is based on an LSE’s monthly coincident or non-coincident peak load obligation plus a reasonable operating reserve requirement based on the current NMISA operating reserve requirement, then prices paid to WPS for providing standard offer service may be increased to reflect the reasonable, incremental costs of this obligation, but in no event would prices increase by more than the above Price Change Caps for the Available Capacity Obligation. For the purpose of determining whether an Available Capacity Obligation is applicable, an LSE’s capacity resource must be available to operate, (i.e. not be unavailable due to a planned or unplanned outage).

If a capacity requirement is imposed during the term of service, then the Commission will determine whether the capacity requirement imposed fits within the definition of an Installed Capacity Obligation, an Available Capacity Obligation, or neither. The Commission will also determine the reasonable, incremental costs of the obligation. Before making any determination pursuant to this issue, the Commission will provide WPS an opportunity to state its views as to the capacity requirement definition and the reasonable, incremental costs of the obligation imposed. In no event will WPS seek costs in excess of the above Price Change Caps.