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April 7, 2008

Karen Geraghty, Administrative Director
Maine Public Utilities Commission
State House Station 18
242 State Street
Augusta, ME 04333

**Re: MAINE PUBLIC UTILITIES COMMISSION; Standard Offer Bidding
Procedure for Customers of Maine Public Service Company; Docket No. 2006-513**

**THIS IS A VIRTUAL DUPLICATE OF THE ORIGINAL HARDCOPY
SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS
ELECTRONIC FILING INSTRUCTIONS.**

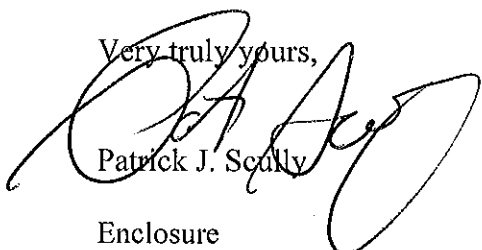
Dear Ms. Geraghty:

Enclosed for filing in the above-captioned matter, please find Amended Bidder Condition C. This Amended Bidder Condition has been developed in negotiations between Integrys Energy Services, Inc. and the Commission Staff and is intended to resolve the pending request by Integrys for an adjustment in the MPS Standard Offer rate to reflect the costs incurred by Integrys to comply with new NMISA Market Rule 10.

We understand that the Commission has approved this Amended Bidder Condition C, and that the new Standard Offer rate pursuant to this Amendment will take effect on April 9, 2009

Please feel free to contact me if you have any questions.

Very truly yours,


Patrick J. Scully

Enclosure

Amendment to Bidder Condition C

1. On December 12, 2006 WPS Energy Services, Inc. (“IntegrYS”) submitted to the Maine Public Utilities Commission (the “Commission”) a bid to supply standard offer service (“SOS”) to all customer classes in the service territory of Maine Public Service Company (“MPS”) for the 26-month period beginning January 1, 2007 and ending February 28, 2009 (the “SOS Term”). The IntegrYS bid contained certain bidder conditions, including Bidder Condition C. Pursuant to Bidder Condition C, the SOS price would be increased in the event that the Northern Maine Independent System Operator’s (“NMISA”) Market Rules are changed or found by a FERC order to require a Load Serving Entity (“LSE”) to meet load obligations in northern Maine with capacity in addition to balanced schedule energy during the SOS Term.
2. By Order dated December 18, 2006 (the “SOS Order”), the Commission accepted the IntegrYS bid and designated IntegrYS as the SOS provider for the MPS service territory for the SOS Term. Attachment B to the SOS Order contains the IntegrYS bid conditions, including Bidder Condition C.
3. On October 19, 2007, the FERC issued an order conditionally accepting changes to NMISA’s Market Rules, including the adoption of new Market Rule 10. Market Rule 10 creates a capacity obligation for LSEs that serve northern Maine load. As a consequence of Market Rule 10, IntegrYS was obligated to provide capacity to meet its load obligations in northern Maine beginning November 1, 2007. NMISA Market Rule 10 implicated Bidder Condition C for the three NMISA Capability Periods that include the months of November 2007 through February 2009.
4. On October 26, 2007 IntegrYS filed a petition with the Commission seeking an increase in the MPS SOS price beginning November 1, 2007 in accordance with Bidder Condition C to reflect the cost of providing capacity to serve the MPS SOS load in accordance with Market Rule 10.
5. By Order dated December 19, 2007 (the “Interim Order”), the Commission approved an interim increase in the MPS SOS price for all customer classes of \$0.002 per kWh (the “Initial Adder”). The Commission directed MPS to hold the funds produced by the \$0.002 per kWh price increase (the “Escrowed Adder Funds”) in an interest-bearing account until a final decision is made on the price adjustment. The Initial Adder became effective on December 21, 2007.
6. By the terms of this Amendment to Bidder Condition C, the Commission and IntegrYS agree to the calculation of the adder to MPS SOS prices for the term January 2007 through February 2009 associated with Bidder Condition C. Bidder Condition C is hereby amended to incorporate the terms of this Amendment. Except for a potential adjustment pursuant to Paragraphs 9 and 10 herein, the SOS price adder will not change for the remainder of the SOS Term, nor will IntegrYS seek or be entitled to recover any additional amounts from MPS SOS due to capacity related costs.

7. The average adder over the three Capability Periods beginning November 1, 2007 and ending February 28, 2009 is hereby set at \$0.002406/kWh (the "Average Adder"), subject to adjustment only for subsequent changes by NMISA to the Eligible Unforced Capacity (EUC) ratings for capacity resources located in the NMISA region.

8. MPS SOS prices will increase to reflect a new adder of \$0.002885/kWh (the "New Adder") effective on 4/9/2008, which New Adder will replace the Interim Adder of \$0.0020/kWh. The New Adder reflects the Average Adder of \$0.002406/kWh, plus the amounts by which the Interim Adder in place prior to April 9, 2008 was less than the Average Adder. Unless further adjusted in accordance with Paragraphs 9 and 10, the New Adder will remain in effect through February 28, 2009. In addition, MPS will release to Integrys all Escrowed Adder Funds within ten (10) days of the date of a Commission order approving this Amendment and MPS will immediately cease depositing ongoing adder collections in escrow but will pay all such funds to Integrys in the normal course.

9. The New Adder will be subject to adjustment only in the event that NMISA changes the Eligible Unforced Capacity rating for any capacity resource located in the NMISA region. Current EUC ratings are set forth in Attachment A. In such an event, any Cost Change, as defined in Paragraph 10, will be allocated to northern Maine load on a load ratio basis. For purposes of this Amendment, the total MPS/Van Buren load ratio share shall be deemed to be 75% of the total northern Maine load and any adjustment to the New Adder will be calculated as follows:

(Cost Change X .75) Divided by Total MPS/VB Load (kWh) Remaining in the SOS Term

For the purposes of this section, Total MPS/VB Load (kWh) Remaining in the SOS Term will be determined using, for each month remaining in the SOS Term, the total MPS/VB load in kWh in the corresponding month of the prior year, adjusted by the ratio of the peak demand for the current capability period over the peak demand for the same capability period during the prior year, all as reported by MPS/VB to Integrys, with prorated consumption for partial months.

Notwithstanding the foregoing, in no event will the New Adder increase by more than \$.000319/kWh, which reflects the difference between the weighted average of the caps in the original Bidder Condition C over the period November 1, 2007 through February 28, 2009 and the Average Adder.

Integrys agrees to take all commercially reasonable measures to maintain the existing capacity ratings of the northern Maine generation units Integrys has under contract, subject to and in accordance with the NMISA market rules and subject to Integrys' contractual rights and its ability to participate in any NMISA capacity determination.

10. In the event of an NMISA change to the EUC ratings of in-region generation, the associated Cost Change used to determine an adjustment to the New Adder will be calculated as shown in the following example.

Plant_{in-region} is de-rated by 10 MW

Plant_{in-region} capacity price is \$2.75/kW-mnth

Plant_{replacement} quantity is 10 MW (i.e. must equal the NMISA change in EUC rating)

Plant_{replacement} capacity price is \$4.00/kW-mnth

Cost Change is:

$(\text{Plant}_{\text{replacement}} \text{ capacity price} - \text{Plant}_{\text{in-region}} \text{ capacity price}) \times \text{Quantity}$

In this example: $(\$4.00 - \$2.75) \times 10,000 \times \text{months}$

Name	Type/Unit	Eligible Installed Capacity	Eligible Unforced Capacity	Owner	Location	In Service Date	Expected Retirement Date
<u>Tinker Station</u>				WPS Generation	Aroostook Falls, NB		
	Hydro #1	4.0	3.80			1926	
	Hydro #2	1.5	1.43			1923	
	Hydro #3	1.5	1.43			1924	
	Hydro #4	4.0	3.80			1951	
	Hydro #5	23.0	21.85			1965	
	Diesel	1.0	0.95			1948	
<u>Flo's Inn</u>				WPS Generation	Presque Isle, ME		
	Diesel #1	1.4	1.33			1959	
	Diesel #2	1.4	1.33				
	Diesel #3	1.4	1.33				
<u>Caribou Station</u>				WPS Generation	Caribou, ME		
	Steam #1	9.1	8.65			1950	
	Steam #2	14.0	13.30			1955	
	Diesel #2	2.6	2.42			1948	
	Diesel #3	2.6	2.42			1948	
	Diesel #4	1.0	0.95			1948	
	Diesel #5	1.0	0.95			1948	
	Hydro #1	0.4	0.38			1921	
	Hydro #2	0.4	0.38			1921	
<u>Squa Pan</u>				WPS Generation			
	Hydro	1.5	1.43			1941	
<u>Boralex</u>				Boralex			
Fort Fairfield	Biomass	33.0	31.35		Fort Fairfield, ME	1987	
Ashland	Blomass	37.0	35.15		Ashland, Maine	1993	
<u>Loring</u>				WPS Generation	Limestone, ME		
	Diesel #1	0.9	0.89			1949	
	Diesel #2	0.9	0.89			1949	
	Diesel #3	1.0	0.98			1949	
	Diesel #5	2.2	2.07			1949	
<u>Evergreen Wind</u>				UPC Wind Management	Mars Hill, ME		
	Wind	42.0	13			2006	