

WISCONSIN ELECTRIC POWER COMPANY

MARKET RATE POWER SALES TARIFF

**MARKET RATE POWER SALES
TARIFF**

ORIGINAL VOLUME NO. 8

Wisconsin Electric Power Company (“Wisconsin Electric” or “Seller”) offers to sell electric capacity, energy and/or ancillary services pursuant to the following terms and conditions:

I. COMPLIANCE, LIMITATIONS AND EXCEPTIONS

A. Compliance with Commission regulations: Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller’s market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this tariff or otherwise restricts or limits the Seller’s market-based rate authority. Failure to comply with the applicable provisions of 18 CFR Part 35, Subpart H, and with any orders of the Commission concerning Seller’s market-based rate authority, will constitute a violation of this tariff.

- B. Pursuant to the Commission's Director's Letter Orders Accepting the Tariff Revisions (Docket No. ER08-1176), there are no Limitations or Exemptions regarding Wisconsin Electric's Market-Based Rate Authority.

- C. Seller Category: Seller is a Category 2 seller, as defined in 18 CFR 35.36(a).

II. AVAILABILITY AND CHARACTER OF SERVICE

A. Seller offers regulation and frequency response service and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM and, where the PJM Open Access Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

B. Third-party ancillary services Seller offers: regulation service, spinning reserves, and supplemental reserves. Sales will not include the following: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier; and (3) sales to a public utility that is purchasing

ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers.

C. Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and to others that are self-supplying ancillary services to Midwest ISO.

III. RATES AND BILLING

A. All sales of capacity, energy and/or ancillary services shall be made at rates established by agreement between Seller and an Eligible Customer. The Parties may agree to non-monetary compensation such as exchanges and payment in fuel or other commodities.