



November 28, 2007

**VIA HAND DELIVERY**

The Honorable Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: ISO New England Inc., Docket No. ER07-1289-\_\_\_;  
Filing by ISO New England of Revised Tariff Sheets in Accordance  
with November 14 Informational Report and Pursuant to October 29  
Order**

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Dear Secretary Bose:

Pursuant to Rule 1907 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the "Commission"), 18 C.F.R. § 385.1907 (2007), ISO New England Inc. (the "ISO") submits this filing in accordance with its November 14, 2007 informational report in this docket and pursuant to the Commission's October 29, 2007 order in *ISO New England Inc.*, 121 FERC ¶ 61,097 (2007) (the "October 29 Order") conditionally accepting the "MEPCO Roll-in Proposal" filed on August 16, 2007 (the "August 16 Filing") by the ISO, the Maine Electric Power Company ("MEPCO") and the Participating Transmission Owners Administrative Committee ("PTO AC") (collectively, the "Filing Parties").

Specifically, the ISO hereby submits revised tariff sheets for its Market Rule 1<sup>1</sup> (the "Revised Sheets") to hold harmless Casco Bay Energy Company, LLC ("Casco Bay") from certain marginal losses between the Orrington and Maine Yankee Nodes (the "Hold Harmless Mechanism"). As explained below, this filing is necessitated by the cumulative effect of the October 29 Order and the ISO's November 14, 2007 revision of the Loss Component calculation for the Graham Node (the "Loss Component Revision"),

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<sup>1</sup> Market Rule 1 is Section III of the ISO's Transmission, Markets and Services Tariff (the "ISO Tariff"). Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the ISO Tariff or in the Participants Agreement among ISO New England Inc. as the Regional Transmission Organization for New England and the New England Power Pool and the entities that are from time to time parties hereto constituting the Individual Participants (the "Participants Agreement").

which the ISO explained in an informational report that same day (“Informational Report”). The requested effective date for the Revised Sheets is November 14, 2007, for the reasons explained in the Informational Report.<sup>2</sup>

The ISO submits this filing subject to its contemporaneously filed rehearing request (the “Rehearing Request”) seeking reversal, *inter alia*, of the October 29 Order’s finding that Casco Bay’s transmission service agreement (the “Casco Bay TSA”) with MEPCO provides a “hedge” against marginal losses in the New England energy markets. The ISO is filing the Rehearing Request jointly with MEPCO. For this reason, if the Commission grants the marginal loss-related portion of its rehearing request, the ISO respectfully requests that the Commission order a reversal or refund of the economic effects associated with the Hold Harmless Mechanism for the interim period between November 14, 2007 and the date of the order on rehearing.

In a second contemporaneous filing, the ISO and MEPCO move to delay the effective date for the MEPCO Roll-in Proposal from December 1, 2007 to February 1, 2007, and for the convening of a technical conference in the interim (the “Joint Alternative Motion Filing”). This motion is necessitated by the conditions imposed in the October 29 Order – *inter alia*, the provision of a congestion “hedge” to Casco Bay that does not currently exist. These conditions cannot be implemented without imposing and/or shifting significant costs on New England Market Participants and/or MEPCO customers that these entities do not currently incur. The ISO and MEPCO believe that an expedited technical conference, and associated efforts by interested stakeholders during the two-month delay, could: (i) facilitate the formulation of an alternative solution to this and other critical roll-in issues that can be implemented promptly and will be acceptable to market participants and other interested stakeholders in the New England and Maritimes Control Areas, as well as to the Filing Parties; and/or (ii) provide the Commission with the opportunity to consider the Rehearing Request on an expedited basis. In the alternative, if the Commission denies the request to delay the effective date, a Notice of Cancellation of the August 16 Filing included in the joint motion should become effective November 30, 2007 (*i.e.*, one day before the MEPCO Roll-in Proposal was to become effective), for the same reasons that support the motion for delay and technical conference: the significant costs imposed and/or shifted by the conditions included in the October 29 Order on New England Market Participants and/or MEPCO customers that these entities do not currently incur.

Regardless of these facts, the Northeast Reliability Interconnection (the “NRI,” a second tie between New Brunswick and New England) will go into service as Pool

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<sup>2</sup> As used and explained further herein, the phrases “hold harmless” and the “Hold Harmless Mechanism” are not intended to indicate that Casco Bay would be exempted under the Revised Sheets from all marginal losses for its Maine Independence Station or from the payment of real power losses for the use of transmission service on the MEPCO facilities under its transmission service agreement with MEPCO.

Transmission Facilities (“PTF”) during December 2007, but because the MEPCO Roll-in will not become effective, it will be necessary for the ISO to limit the transfer capabilities of the dual MEPCO/NRI interconnection to the transfer capabilities that are currently in place for the New England/New Brunswick (“NE/NB”) external interface, namely, up to a maximum of 700 MW for imports from New Brunswick and 280 MW for exports to New Brunswick.

## **I. BACKGROUND**

### **A. The August 16 Filing and the MEPCO Roll-in Proposal**

In the August 16 Filing, the Filing Parties submitted the MEPCO Roll-in Proposal to amend the ISO OATT, the Transmission Operating Agreement, and the MEPCO Transmission Operating Agreement. The MEPCO Roll-in Proposal, *inter alia*, would have allowed the ISO to provide service over the MEPCO transmission facilities through “Regional Transmission Service.” The Filing Parties had determined that such changes were necessary in order to eliminate the conflicts that would arise from providing Regional Transmission Service over the NRI transmission tie line in parallel with transmission service over the MEPCO transmission tie line.

The proposal would have terminated all of MEPCO’s transmission service agreements, but would have provided a grandfathering option to MEPCO’s transmission customers with external Long-term Firm Point-to-Point transmission service agreements. The proposal did not offer a grandfathering option for MEPCO’s lone long-term firm *internal* transmission customer, Casco Bay, because the proposal would replace Casco Bay’s internal Long-term Firm Point-to-Point service with Regional Network Service without abrogating any of its rights.<sup>3</sup> In fact, the proposal would have eliminated Casco Bay’s obligation under the Casco Bay TSA to continue to pay (for the remaining 18 years of the TSA’s term) approximately \$800,000 a year to MEPCO.

### **B. The Casco Bay Protest and the October 29 Order**

Casco Bay protested the August 16 Filing. Casco Bay owns and operates Maine Independence Station, a 520 MW natural gas-fired, combined cycle generating facility located in Veazie, Maine, and interconnected at the Graham substation with PTF administered by the ISO.<sup>4</sup> Casco Bay entered into the Casco Bay TSA with MEPCO in 1999 to fund upgrades on the MEPCO transmission facilities – not administered by the ISO – necessitated by this interconnection.

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<sup>3</sup> August 16 Filing, Attachment 2 (Kay Testimony) at pp. 16-17; *see also id.* at p. 22 (indicating that the MEPCO Roll-in Proposal would have “no impact on the dispatch and settlement of internal generation and load”).

<sup>4</sup> Casco Bay Protest at 3.

Casco Bay claimed that its TSA provided “a valuable hedge against congestion and marginal losses between the Orrington and Maine Yankee Substations” on the MEPCO system.<sup>5</sup> The ISO and MEPCO filed a joint answer explaining why the Casco Bay TSA provided no such hedges and that its termination posed no harms to Casco Bay.

The October 29 Order conditionally accepted the August 16 Filing, but agreed with Casco Bay that the MEPCO Roll-in Proposal would deprive Casco Bay of congestion and marginal loss hedges.<sup>6</sup> In the October 29 Order, the Commission ordered “the Filing Parties to provide Casco Bay a grandfathering option that will preserve all of Casco Bay’s existing rights, with the exception that it will become subject to the same scheduling and curtailment provisions as other grandfathered agreements.”<sup>7</sup>

### C. The ISO’s Informational Report

On November 14, 2007, the ISO filed in this proceeding its Informational Report to explain the revision it implemented that day to the Loss Component calculation for the Graham Node. In the Informational Report, the ISO explained how the ISO had been “mapping” the Loss Component price calculated for the Maine Yankee Node to the Loss Component for the Graham Node in order to avoid any double collection for losses since the inception of SMD. This treatment had resulted in deeming for Loss Component calculation purposes the injection of the output of the Maine Independence Station into the PTF system only at the Maine Yankee substation, which is at the southern end of the MEPCO line, instead of approximately eighty-eight miles to the north to the 115-kV PTF system in the vicinity of the Graham substation where Maine Independence Station is located.<sup>8</sup> The ISO had chosen this course because, when preparing for the commencement of the ISO’s March 1, 2003 “Standard Market Design” markets – incorporating locational zonal and nodal pricing that accounts for marginal congestion and losses – ISO staff believed it was appropriate to treat the Graham Node (at which the Maine Independence Station is considered to inject energy) as though it were a non-PTF node.<sup>9</sup>

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<sup>5</sup> Casco Bay Protest at 9.

<sup>6</sup> October 29 Order at PP 39-40.

<sup>7</sup> *Id.* at P 41.

<sup>8</sup> *Id.* at 5.

<sup>9</sup> *Id.* Market Rule 1’s definition of “Loss Component” contained the following language, designed to prevent double collection of losses from Resources that are already paying losses on a non-PTF system: “The Loss Component of the nodal LMP at a given Node on the non-PTF system reflects the relative cost of losses at that Node adjusted as required to account for losses on the non-PTF system already accounted for through tariffs associated with the non-PTF.” The Graham Node (at which MIS is paid for the Energy and Ancillary services it produces) is on the PTF system. However, given the electrical flow “realities” stemming from the proximity of the

(continued...)

The ISO personnel responsible for developing the MEPCO Roll-in Proposal became aware earlier this year of the foregoing loss mapping after investigating claims raised by Casco Bay during the stakeholder discussions regarding its alleged marginal loss hedge.<sup>10</sup> As a result of this investigation, including discussions with MEPCO, the ISO deemed it appropriate to revise the Loss Component mapping at the Graham Node in a manner consistent with its physical location on the PTF system (the “Loss Component Revision”).<sup>11</sup>

The Informational Report also explained how the Loss Component Revision related to the October 29 Order. For instance, the Informational Report explained that Casco Bay’s arguments and the findings in the October 29 Order regarding a loss hedge could stem, not from the Casco Bay TSA, but from the fact that the ISO had been mapping the Loss Component at the Graham Node to the Maine Yankee Node.<sup>12</sup> Because the Loss Component Revision, absent any other changes, would financially impact Casco Bay, the Informational Report explained that the ISO was developing a mechanism (effective November 14) “to hold Casco Bay ‘harmless’ from such losses, pending the Commission’s consideration of and action on any potential rehearing request.”<sup>13</sup> The Hold Harmless Mechanism developed by the ISO is set forth in the Revised Sheets.

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(...continued)

MIS to the MEPCO system (a “non-PTF system”), the transmission service provided under the Casco Bay TSA, and Casco Bay’s obligation to pay real power losses across the MEPCO line under “tariffs associated with the non-PTF” (in this case, the MEPCO OATT), ISO staff preparing the network system model believed that it was appropriate to take into account the anti-double-collection provision of the “Loss Component” definition by treating Graham as though it were a non-PTF Node.

<sup>10</sup> *Id.* at 6.

<sup>11</sup> *Id.* at 7. As part of this investigation, the ISO and MEPCO each recently learned that the other had not been collecting losses from Casco Bay; therefore, no “double collection” was at issue. Moreover, as a matter of electrical location and given the proximity of the MIS to the MEPCO system, the ISO assumed that the Graham Node is analogous to a node on a non-PTF (i.e., MEPCO) system. However, the Graham Node is in fact a Node on the PTF system; therefore, the double-counting limitation of Market Rule 1, strictly speaking, does not apply to that Node.

<sup>12</sup> *Id.* at 2.

<sup>13</sup> *Id.* at 7. Note that in the aftermath of the Loss Component Revision, and but for the Hold Harmless Mechanism proposed herein, Casco Bay would currently be paying two kinds of losses: (i) marginal losses for the output of its Maine Independence Station at the Graham Node due to the provisions of Market Rule 1; and (ii) real power losses for Casco Bay’s use of transmission service on the MEPCO facilities due to the provisions of the Casco Bay TSA. The filing of the Hold Harmless Mechanism should in no way be viewed as an admission by the ISO that a “loss hedge” exists or that there is any tie between the provisions of the Casco Bay TSA and the manner in which the Maine Independence Station is treated under Market Rule 1.

## II. DESCRIPTION OF THE REVISED SHEETS

As described above, the October 29 Order found that the Casco Bay TSA provides a hedge against marginal losses and requires “the Filing Parties to provide Casco Bay a grandfathering option that will preserve all of Casco Bay’s existing rights, with the exception that it will become subject to the same scheduling and curtailment provisions as other grandfathered agreements.”<sup>14</sup> As explained in the Informational Report, any favorable marginal loss treatment Casco Bay may have experienced for the Maine Independence Station was attributable to the ISO having mapped losses at the Graham Node to the Maine Yankee Node and the fact that MEPCO *was not* charging for losses. Consistent with these considerations, the occurrence of the Loss Component Revision and the spirit of the October 29 Order, and as the ISO committed in the Informational Report, the ISO has developed the Revised Sheets reflecting the Hold Harmless Mechanism. Again, as explained in detail in the Rehearing Request, the October 29 Order is incorrect in finding that the Casco Bay TSA a “hedge” against losses at the Graham Node.

The Hold Harmless Mechanism would operate, subject to action on the Rehearing Request, as follows:

1. The Maine Independence Station is cleared in the New England energy markets under the existing provisions of Market Rule 1 and the correct network model, which includes the Loss Component Revision. The Maine Independence Unit incurs marginal losses at the Graham Node under existing provisions of Market Rule 1.
2. Pursuant to proposed new Section III.3.2.1(e)(i) of Market Rule 1, Casco Bay<sup>15</sup> will receive a charge for MEPCO facility real power losses at the 2.8 percent loss factor (as this is the percentage currently reflected in Section 26 of Schedule 20B to Section II of the ISO Tariff).<sup>16</sup> This part of the mechanism is reflected in Section III.3.2.1.(e)(i). Specifically, Casco Bay will receive a charge for each hour equal to the Orrington 115kv Node Real-Time Locational Marginal Price times the MEPCO transmission facility real-power loss quantity, which is Real-Time MWh of energy generated from the Maine Independence Station (capped at 500 MWh per hour) for that hour times the predefined 2.8 percent real power loss factor. This charge to Casco Bay

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<sup>14</sup> October 29 Order at P 41.

<sup>15</sup> Dynege Power Marketing, Inc. (“Dynege”) constitutes the Market Participant that has the contractual relationship with the ISO on behalf of Casco Bay. Therefore, the Hold Harmless Mechanism refers to Dynege instead of Casco Bay.

<sup>16</sup> The provisions of Schedule 20B are still relevant for purposes of the Revised Sheets in light of the Joint Alternative Motion Filing, under which the MEPCO Roll-in Proposal will not be implemented at the present time, thus leaving Schedule 20B in place.

shall be credited to each Market Participant on its pro rata share of the sum of all Market Participants' Real-Time Adjusted Load Obligations.

3. Pursuant to proposed new Section III.3.2.1(e)(ii) of Market Rule 1, Casco Bay will receive a credit for the marginal losses over the MEPCO facilities that offsets the real power losses charged to Casco Bay under Section III.3.2.1(e)(i) and is credited to the marginal losses incurred as described in 1., above, capped at 500 MWh. This change is intended to avoid double billing Casco Bay for real power and marginal losses over the MEPCO transmission facilities between Orrington (the source) and Maine Yankee (the sink), as specified in the Casco Bay TSA. Specifically, Casco Bay will receive a credit for each hour equal to (the Loss Component of the Real-Time Locational Marginal Price at the Maine Yankee 345kv Node minus the Loss Component of the Real-Time Locational Marginal Price at the Orrington 115kv Node) times the Real-Time MWh of energy generated by the Maine Independence Station (capped at 500 MWh per hour) for that hour. This credit to Casco Bay shall be charged to each Market Participant on its pro rata share of the sum of all Market Participants' Real-Time Adjusted Load Obligations.

The charge and credit methodology described above utilizes current Schedule 20B and Market Rule 1 language and mechanisms in a manner that, based on Maine Independence Station's Real-Time generation, charges Casco Bay for the real power losses associated with the MEPCO transmission system while continuing to charge marginal losses for energy transmitted over the PTF.

### **III. REQUESTED EFFECTIVE DATE**

The ISO requests an effective date of November 14, 2007, subject to refund pending the outcome of the pertinent portion of the Rehearing Request. This date coincides with the ISO's implementation of the Loss Component Revision, thereby ensuring that Casco Bay is held harmless by the change. Through the filing of the Informational Report, affected parties have been on notice of the ISO's development of a "hold harmless" mechanism since November 14, 2007.

### **IV. STAKEHOLDER PROCESS**

Section 11.5 of the Participants Agreement provides:

If the time required for ... [a] compliance filing does not permit ISO to undertake the entire stakeholder process contemplated by this Section 11, ISO will consult with the Chair or Vice Chair of the Participants Committee or the Vice Chair of the appropriate Technical Committee on appropriate procedures for receiving Governance Participant input under the circumstances.

Time was insufficient to provide the full stakeholder process of review for this filing. The ISO reviewed its Informational Report with the NEPOOL Transmission Committee at its November 16, 2007 meeting, discussed its concerns with the conditions imposed in the October 29 Order, and explained its intent to develop a mechanism such as that included herein. The ISO is scheduled to review this filing at the Transmission Committee's November 30 meeting and the December 7 Participants Committee meeting.

#### **V. DOCUMENTS INCLUDED IN THIS FILING**

Attachment 1 to this filing contains blacklined versions of the revised ISO Tariff sheets reflecting the Market Rule 1 amendments. Attachment 2 contains clean versions of the revised ISO Tariff sheets.

#### **VI. CONCLUSION**

For the foregoing reasons, the ISO respectfully requests that the Commission accept the Revised Sheets, subject to refund in the event the Commission grants the pertinent portion of the contemporaneously filed Rehearing Request.

The ISO is serving this pleading: (i) electronically on all parties to this proceeding and on the members and alternates of the NEPOOL Participants Committee; and (ii) by hard copy on the Governors and energy regulatory agencies of the six New England states, on the New Brunswick System Operator and on the New Brunswick Power Corporation.

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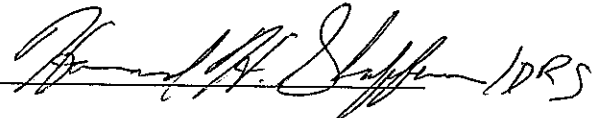
Please acknowledge receipt of the foregoing by date-stamping and returning to our messenger the enclosed extra copies of this filing.

Respectfully submitted,

**ISO NEW ENGLAND INC.**

By:  DR5

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Attachments

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated at Washington, D.C. this 28th day of November, 2007.



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## **Attachment 1**

Location specific Day-Ahead Locational Adjusted Net Interchanges multiplied by the Congestion Component of the associated Day-Ahead Locational Marginal Prices. The Day-Ahead Energy Market Loss Charge/Credit shall be equal to the sum of its Location specific Day-Ahead Locational Adjusted Net Interchanges multiplied by the Loss Component of the associated Day-Ahead Locational Marginal Prices.

- (e) For each Market Participant for each hour, the ISO will determine Real-Time Energy Market monetary positions representing a charge or credit to the Market Participant for its net purchases from or sales to the Real-Time Energy Market. The Real-Time Energy Market Deviation Energy Charge/Credit shall be equal to the sum of its Location specific Real-Time Locational Adjusted Net Interchange Deviations multiplied by the Congestion Component of the associated Real-Time Locational Marginal Prices. The Real-Time Energy Market Deviation Loss Charge/Credit shall be equal to the sum of its Location specific Real-Time Locational Adjusted Net Interchange Deviations multiplied by the Loss Component of the associated Real-Time Locational Marginal Prices.

- (i) In addition to the above and for each hour Dynegy Power Marketing, Inc. (“Dynegy”) shall receive a charge for MEPCO transmission facility real power losses that is equal to the Orrington 115kv Node Real-Time Locational Marginal Price times the MEPCO transmission facility real-power loss quantity, which is Real-Time MWh of energy generated by the Maine Independence Station (capped at 500 MWh per hour) for that hour times the predefined 2.8 percent loss factor. This charge to Dynegy shall be credited to each Market Participant on its pro rata share of the sum of all Market Participants’ Real-Time Adjusted Load Obligations.
- (ii) In addition to the above and for each hour Dynegy shall receive a credit for MEPCO transmission facility marginal losses that is equal to (the Loss Component of the Real-Time Locational Marginal Price at the Maine Yankee 345kv Node minus the Loss Component of the Real-Time Locational Marginal Price at the Orrington 115kv Node) times the Real-Time MWh of energy generated by the Maine Independence Station (capped at 500 MWh per hour) for that hour. This credit to Dynegy shall be charged to each Market Participant on its pro rata share of the sum of all Market Participants’ Real-Time Adjusted Load Obligations.

~~by the Loss Component of the associated Real Time  
Locational Marginal Prices.~~

- (f) For each hour, the ISO will determine the total revenues associated with transmission congestion on the New England Transmission System. To accomplish this, the ISO will perform calculations to determine the following. The Day-Ahead Congestion Revenue shall equal the sum of all Market Participants' Day-Ahead Energy Market Congestion Charge/Credits. The Real-Time Congestion Revenue shall equal the sum of all Market Participants' Real-Time Energy Market Congestion Charge/Credits.
- (g) For each hour, the ISO will determine the excess or deficiency in Loss Revenue associated with the Day-Ahead Energy Market. The Day-Ahead Loss Revenue shall be equal to the sum of all Market Participants' Day-Ahead Energy Market Energy Charge/Credits and Day-Ahead Energy Market Loss Charge/Credits.
- (h) For each hour for each Market Participant, the ISO shall calculate a Day-Ahead payment or charge associated with the excess or deficiency in Loss Revenue (Section III.3.2.1(g)). The Day-Ahead Loss Charges or Credits shall be equal to the Day-Ahead Loss Revenue multiplied by the Market Participant's pro rata share of the sum of all Market Participants' Real-Time Adjusted Load Obligations.

## **Attachment 2**

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Location specific Day-Ahead Locational Adjusted Net Interchanges multiplied by the Congestion Component of the associated Day-Ahead Locational Marginal Prices. The Day-Ahead Energy Market Loss Charge/Credit shall be equal to the sum of its Location specific Day-Ahead Locational Adjusted Net Interchanges multiplied by the Loss Component of the associated Day-Ahead Locational Marginal Prices.

- (e) For each Market Participant for each hour, the ISO will determine Real-Time Energy Market monetary positions representing a charge or credit to the Market Participant for its net purchases from or sales to the Real-Time Energy Market. The Real-Time Energy Market Deviation Energy Charge/Credit shall be equal to the sum of its Location specific Real-Time Locational Adjusted Net Interchange Deviations multiplied by the Congestion Component of the associated Real-Time Locational Marginal Prices. The Real-Time Energy Market Deviation Loss Charge/Credit shall be equal to the sum of its Location specific Real-Time Locational Adjusted Net Interchange Deviations multiplied by the Loss Component of the associated Real-Time Locational Marginal Prices.

- (i) In addition to the above and for each hour Dynegy Power Marketing, Inc. (“Dynegy”) shall receive a charge for MEPCO transmission facility real power losses that is equal to the Orrington 115kv Node Real-Time Locational Marginal Price times the MEPCO transmission facility real-power loss quantity, which is Real-Time MWh of energy generated by the Maine Independence Station (capped at 500 MWh per hour) for that hour times the predefined 2.8 percent loss factor. This charge to Dynegy shall be credited to each Market Participant on its pro rata share of the sum of all Market Participants’ Real-Time Adjusted Load Obligations.
  
- (ii) In addition to the above and for each hour Dynegy shall receive a credit for MEPCO transmission facility marginal losses that is equal to (the Loss Component of the Real-Time Locational Marginal Price at the Maine Yankee 345kv Node minus the Loss Component of the Real-Time Locational Marginal Price at the Orrington 115kv Node) times the Real-Time MWh of energy generated by the Maine Independence Station (capped at 500 MWh per hour) for that hour. This credit to Dynegy shall be charged to each Market Participant on its pro rata share of the sum of all Market Participants’ Real-Time Adjusted Load Obligations.

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- (f) For each hour, the ISO will determine the total revenues associated with transmission congestion on the New England Transmission System. To accomplish this, the ISO will perform calculations to determine the following. The Day-Ahead Congestion Revenue shall equal the sum of all Market Participants' Day-Ahead Energy Market Congestion Charge/Credits. The Real-Time Congestion Revenue shall equal the sum of all Market Participants' Real-Time Energy Market Congestion Charge/Credits.
- (g) For each hour, the ISO will determine the excess or deficiency in Loss Revenue associated with the Day-Ahead Energy Market. The Day-Ahead Loss Revenue shall be equal to the sum of all Market Participants' Day-Ahead Energy Market Energy Charge/Credits and Day-Ahead Energy Market Loss Charge/Credits.
- (h) For each hour for each Market Participant, the ISO shall calculate a Day-Ahead payment or charge associated with the excess or deficiency in Loss Revenue (Section III.3.2.1(g)). The Day-Ahead Loss Charges or Credits shall be equal to the Day-Ahead Loss Revenue multiplied by the Market Participant's pro rata share of the sum of all Market Participants' Real-Time Adjusted Load Obligations.