

## DEFINITIONS

### Annual Revenue Cap

The annual revenue allowed to divested units by FERC approved mitigation. The annual revenue cap for each divested owner is calculated by taking the Summer and Winter DMNC ratings of each divested owner's portfolio (NRG, Reliant, and KeySpan Ravenswood) adjusted for current EFORD % calculation to convert into UCAP volume. The sum total of the Summer UCAP number multiplied by \$56.46 per kW- 6 month and the Winter UCAP number multiplied by \$56.46 per kW- 6 month is the annual revenue cap.

### Monthly Revenue Cap

The annual revenue cap divided by 12.

### Auction Revenue

The revenue received in a strip, monthly, or spot auction conducted by the NYISO.

### Credited Revenue

When the Auction Revenue received by a divested generator owner is greater than the Monthly Revenue Cap, a credit is given to that owner to be applied in other months where the Monthly Revenue Cap was not achieved.

### Cumulative Credit Revenue

The total of all Credit Revenue from prior months that can be applied in the current month.

### Monthly Revenue Cap Adjustment

An adjustment to the Auction Revenue for the current period or a prior Auction revenue period.

## Obligation to Bid into Auctions

The divested generator owners shall only be obligated to submit bids for all non-bilateral volumes of capacity into the spot auction each month.

## Revenue Allocation

If the Auction revenue for the divested generation owners in any month is greater than the Monthly Revenue Cap, then a credit is created which can be used in other months in which the Monthly Revenue Cap was not reached.

When the current monthly Auction Revenue is below the Monthly Revenue Cap and the Cumulative Credited Revenue is positive, that cumulative Credit Revenue can be applied to the current monthly Auction Revenue up to the Monthly Cap.

When prior months have not collected the Monthly Revenue Cap and a Credit Revenue is created in the current month, that credit can be pro-rated back to the prior months that did not receive the Monthly Revenue Cap up until the Monthly Revenue Cap is attained.

Examples:

Starting positive revenue month:

<u>Month</u>	<u>Monthly Cap</u>	<u>Auction Resulting Revenue</u>	<u>Credited Revenue</u>	<u>Cumulative Credited Revenue</u>	<u>Revenue Cap Adjustment</u>
Jun-03	\$10,000	\$15,000	\$5,000	\$5,000	0
Jul-03	\$10,000	\$15,000	\$5,000	\$10,000	0
Aug-03	\$10,000	\$15,000	\$5,000	\$15,000	0
Sep-03	\$10,000	\$15,000	\$5,000	\$20,000	0
Oct-03	\$10,000	\$15,000	\$5,000	\$25,000	0
Nov-03	\$10,000	\$15,000	\$5,000	\$30,000	0
Dec-03	\$10,000	\$7,500	(\$2,500)	\$27,500	\$2,500
Jan-04	\$10,000	\$7,500	(\$2,500)	\$25,000	\$2,500
Feb-04	\$10,000	\$7,500	(\$2,500)	\$22,500	\$2,500
Mar-04	\$10,000	\$7,500	(\$2,500)	\$20,000	\$2,500
Apr-04	\$10,000	\$7,500	(\$2,500)	\$17,500	\$2,500
May-04	\$10,000	\$7,500	(\$2,500)	\$15,000	\$2,500

Starting negative revenue month:

<u>Month</u>	<u>Monthly Cap</u>	<u>Auction Resulting Revenue</u>	<u>Credited Revenue</u>	<u>Cumulative Credited Revenue</u>
Jun-03	\$10,000	\$5,000	(\$5,000)	(\$5,000)
Jul-03	\$10,000	\$5,000	(\$5,000)	(\$10,000)
Aug-03	\$10,000	\$5,000	(\$5,000)	(\$15,000)
Sep-03	\$10,000	\$5,000	(\$5,000)	(\$20,000)
Oct-03	\$10,000	\$5,000	(\$5,000)	(\$25,000)
Nov-03	\$10,000	\$5,000	(\$5,000)	(\$30,000)
Dec-03	\$10,000	\$15,000	\$5,000	(\$25,000)
Jan-04	\$10,000	\$15,000	\$5,000	(\$20,000)
Feb-04	\$10,000	\$15,000	\$5,000	(\$15,000)
Mar-04	\$10,000	\$15,000	\$5,000	(\$10,000)
Apr-04	\$10,000	\$15,000	\$5,000	(\$5,000)
May-04	\$10,000	\$15,000	\$5,000	\$0

#### Revenue Cap Adjustment

	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Total
Jun-03	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$5,000.0
Jul-03	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$5,000.0
Aug-03	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$5,000.0
Sep-03	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$5,000.0
Oct-03	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$5,000.0
Nov-03	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$833.3	\$5,000.0
Dec-03	-	-	-	-	-	-	\$0.0
Jan-04	-	-	-	-	-	-	\$0.0
Feb-04	-	-	-	-	-	-	\$0.0
Mar-04	-	-	-	-	-	-	\$0.0
Apr-04	-	-	-	-	-	-	\$0.0
May-04	-	-	-	-	-	-	\$0.0

