

$DAMCPreg_i$  is the applicable market clearing price for Regulation Service (in \$/MW), in the Day-Ahead Market, as established by the ISO pursuant to Section 4.1 of this Rate Schedule for the hour that includes RTD interval  $i$ ;

$DARcap_i$  is the Regulation Service Capability (in MW) offered by the Generator and selected by the ISO in the Day-Ahead Market in the hour that includes RTD interval  $i$ ;

$RTMCPreg_i$  is the applicable market clearing price for Regulation Service (in MW), in the Real-Time Market as established by the ISO under Section 5.1 of this Rate Schedule in RTD interval  $i$ ;

$RTRcap_i$  is the Regulation Service Capability (in MW) offered by the Generator and selected by the ISO in the Real-Time Market in RTD interval  $i$ ;

$s_i$  is the number of seconds in interval  $i$ ; and

$K_{pi}$  is a factor, with a value between 0.0 and 1.0 inclusive, derived from each Generator's Regulation Service performance, as measured by the performance indices set forth in the ISO Procedures and determined pursuant to the following equation:≡

$$K_{pi} = \frac{PI-PSF}{1-PSF}$$

Issued by: William J. Museler, President  
Issued on: January 28, 2005

Effective: February 1, 2005

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER04-230-000, *et. al.*, issued February 11, 2004, 106 FERC ¶ 61,111 (2004).