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(Redlines reflect differences between the final document posted for the 2012 STP RFP and the document posted for the 2014 STP RFP on March 11, 2014.)

SCHEDULE 3 to Collateral Annex **Mark to Market Value Calculation Methodology**

The following process will be used to calculate the initial marks and to update the marks on each Business Day for the Master Power Purchase and Sale Agreement. Quotes for peak and off-peak power in the NiHub zone will be obtained from three sources: ICAP, NYMEX and Amerex. Quotes from the sources will be examined to identify quotes that are out of line and potentially invalid or are in obvious error. Sources will be asked to either correct or verify data that is inconsistent with that provided by other sources or is in obvious error. If the data cannot be validated in time for the daily mark, the anomalous data will be discarded.

- 1) If validated ICAP data is available for a period, then that data will be used to establish the mark for that period.
- 2) If validated ICAP data is not available for a period, then the average of the remaining validated sources will be used.
- 3) If a month is covered by a “packaged” quote and some of the months in the package are available from the same source, then the package will be broken down to the lowest level that is practical.
- 4) If a month is quoted only as part of a “packaged” quote, and such package is not for an entire calendar year, then the price of the package will be used for each month.
- 5) If a month is quoted only as part of an entire calendar year, then the calendar year package will be broken down using recent historical price data. December data will be used initially to breakdown the shape of a calendar year. These initial ratios will be updated periodically as new package price data is available for the calendar year.
- 6) If quotes for a given period are unavailable from any of the sources either directly or as part of a package or calendar quote, then the last price used for the period in the MTM calculation will be used unless such data is unavailable because it is beyond the last available calendar year quote available. In such case, the future calendar year quotes required will be estimated by assuming the same rate of change that is present in the final two full year calendar quotes.
- 7) Where quotes provide a bid and ask, the average shall be used.

Marks will be calculated each Business Day beginning the day after the initial marks are provided and continuing until the final deliveries from the ~~Spring 2012~~applicable Standard Products RFP have been made. The Current Mark-to-Market Value will be computed by multiplying the appropriate energy volumes by the difference between the initial marks and the updated marks derived as described above. Initial Marks are calculated using quotes dated with the Bid Date.