

## Small Residential Class—Pricing Methodology

Small Class		
New Brunswick Energy Marketing Emera Maine - Maine Public District		
Term/Months	Price \$/kWh	Contingency
November 2016 - May 2017	0.07092	None
June 2017 - December 2017	0.06683 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
January 2018 - December 2018	95% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
January 2019 - December 2019	95% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>

(1) Energy Index Change shall equal the difference between the around-the-clock MA Hub Energy Price (\$/kWh), as published by the CME Group Clearport and converted to the around-the-clock price for the June 2017 through December 2017 term, from the close of business on the date FERC issues its final order approving the revised NMISA Market Rule 10 and the close of business on September 20, 2016. The energy indices used shall be the published CME settlements for ISO New England Mass Hub 5 MW Peak Calendar-Month Day-Ahead LMP Futures Contract (CME Clearport Product Code U6) and ISO New England Mass Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures Contract (CME Clearport Product Code H2). The published peak and offpeak prices on each applicable day (September 20, 2016 and date of final FERC order) shall be converted to the around-the-clock price (weighted average of peak and offpeak hours) for the June 2017 through December 2017 period. If such CME indices are not available, an equivalent published index price shall be used.

Example: Suppose the published CME MA Hub prices (converted to around-the-clock) for the June 2017 through December 2017 period equals \$0.04000/kWh on September 20, 2016 and \$0.035/kWh on the date of FERC's final Market Rule 10 order, then the effective standard offer service price for the June 2017 through December 2017 period would be \$0.06183/kWh [ $\$0.06683/\text{kWh} + (\$0.035/\text{kWh} - \$0.040/\text{kWh})$ ].

(2) The Northern Maine Independent System Administrator (NMISA) has recently proposed to its Board a revised Market Rule 10, which would allow generation

resources located within the New Brunswick Balancing Authority Area to meet a supplier's capacity obligation in the NMISA North Region without the need for firm transmission into northern Maine (Emera Maine – Maine Public District). If, prior to March 31, 2017, NMISA obtains FERC approval of its revised Market Rule 10 (eliminating the need for firm transmission into NMISA North for capacity resources located within the New Brunswick Balancing Authority Area to meet NMISA's entire capacity obligation) and the revised Market Rule 10 becomes effective on or prior to June 1, 2017 for the remaining term of this agreement, then the bid term and prices will extend from 7 months to 38 months (ending December 31, 2019).

- (3) Southern Maine Index Rate equals the weighted average (based on total small class load for the preceding calendar year) Small Class Standard Offer Service rate set for each respective calendar year by the MPUC for Emera Maine-Bangor Hydro District and Central Maine Power Company.
  
- (4) Southern Maine Standard Offer Service Rates shall be set by the MPUC consistent with the setting of historic rates for the small and medium classes over the last 10 years. To the extent the Southern Maine Standard Offer Service Rates for 2018 and/or 2019 set by the MPUC do not reflect the historic rates setting practices, then the Northern Maine Standard Offer Service Rate(s) will be adjusted to reflect historic rate setting practices for Southern Maine. Any dispute between New Brunswick Energy Marketing and Maine Public Utilities Commission regarding the appropriate adjustment shall be resolved consistent with the cost recovery and arbitration provision in Section (h) of the Bidder Conditions.

## Medium Commercial Class—Pricing Methodology

New Brunswick Energy Marketing Emera Maine - Maine Public District		
% of load	100%	
Month	Price \$/kWh	Contingency
Nov-16	0.05808	None
Dec-16	0.07423	None
Jan-17	0.09421	None
Feb-17	0.09349	None
Mar-17	0.06904	None
Apr-17	0.05286	None
May-17	0.04890	None
Jun-17	0.06379 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jul-17	0.06754 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Aug-17	0.06954 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Sep-17	0.06269 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Oct-17	0.06545 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Nov-17	0.07118 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Dec-17	0.08808 + Energy Index Change <sup>(1)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jan-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Feb-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Mar-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Apr-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
May-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jun-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jul-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Aug-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Sep-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Oct-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Nov-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Dec-18	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jan-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Feb-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Mar-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Apr-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
May-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jun-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Jul-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Aug-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Sep-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
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Nov-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>
Dec-19	92% of the Southern Maine Index Rate <sup>(3&amp;4)</sup>	FERC Approval of Revised NMISA Market Rule 10 <sup>(2)</sup>

- (1) Energy Index Change shall equal the difference between the around-the-clock MA Hub Energy Price (\$/kWh), as published by the CME Group Clearport and converted to the around-the-clock price for each respective month of the June 2017 through December 2017 period, from the close of business on the date FERC issues its final order approving the revised NMISA Market Rule 10 and the close of business on September 20, 2016. The energy indices used shall be the published CME settlements for ISO New England Mass Hub 5 MW Peak Calendar-Month Day-Ahead LMP Futures Contract (CME Clearport Product Code U6) and ISO New England Mass Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures Contract (CME Clearport Product Code H2). The published peak and offpeak prices on each applicable day (September 20, 2016 and date of final FERC order) shall be converted to the around-the-clock price (weighted average of peak and offpeak hours) for each respective month of the June 2017 through December 2017 period. If such CME indices are not available, an equivalent published index price shall be used.

Examples: Suppose the published CME MA Hub prices (converted to around-the-clock) for the June 2017 equals \$0.04000/kWh on September 20, 2016 and \$0.0350/kWh on the date of FERC's final Market Rule 10 order, then the effective standard offer service price for June 2017 would be \$0.05879/kWh [ $\$0.06379/\text{kWh} + (\$0.035/\text{kWh} - \$0.040/\text{kWh})$ ].

Suppose the published CME MA Hub prices (converted to around-the-clock) for the September 2017 equals \$0.04300/kWh on September 20, 2016 and \$0.03300/kWh on the date of FERC's final Market Rule 10 order, then the effective standard offer service price for September 2017 would be \$0.05269/kWh [ $\$0.06269/\text{kWh} + (\$0.033/\text{kWh} - \$0.043/\text{kWh})$ ].

- (2) The Northern Maine Independent System Administrator (NMISA) has recently proposed to its Board a revised Market Rule 10, which would allow generation resources located within the New Brunswick Balancing Authority Area to meet a supplier's capacity obligation in the NMISA North Region without the need for firm transmission into northern Maine (Emera Maine – Maine Public District). If, prior to March 31, 2017, NMISA obtains FERC approval of its revised Market Rule 10 (eliminating the need for firm transmission into NMISA North for capacity resources located within the New Brunswick Balancing Authority Area to meet NMISA's entire capacity obligation) and the revised Market Rule 10 becomes effective on or prior to June 1, 2017 for the remaining term of this agreement, then the bid term and prices will extend

from 7 months to 38 months (ending December 31, 2019).

- (3) Southern Maine Index Rate equals the weighted average (based on total medium class load for each respective month of the preceding calendar year) Medium Class Standard Offer Service rate set for each respective month of the calendar year by the MPUC for Emera Maine-Bangor Hydro District and Central Maine Power Company.
- (4) Southern Maine Standard Offer Service Rates shall be set by the MPUC consistent with the setting of historic rates for the small and medium classes over the last 10 years. To the extent the Southern Maine Standard Offer Service Rates for 2018 and/or 2019 set by the MPUC do not reflect the historic rates setting practices, then the Northern Maine Standard Offer Service Rate(s) will be adjusted to reflect historic rate setting practices for Southern Maine. Any dispute between New Brunswick Energy Marketing and Maine Public Utilities Commission regarding the appropriate adjustment shall be resolved consistent with the cost recovery and arbitration provision in Section (h) of the Bidder Conditions.