

Hypothetical

Regarding PSNH's claim in its rebuttal that it "has designed the Laidlaw PPA to be adjusted over the term of the PPA provisions, through the operation of the Cumulative Reduction Factor, *to cause the energy prices to be at the actual energy market prices.*" (Italics added)

Assume for simplicity that:

1. We are in Year 1 of the contract term.
2. The New Hampshire zonal market energy price in a particular hour is \$60/MWh.
3. The energy produced by the Laidlaw facility in that hour is 100 MWh.
4. The energy rate under the Laidlaw PPA in that hour is \$80/MWh.