

## TERMS AND CONDITIONS FOR ENERGY SERVICE PROVIDERS

The following terms and conditions shall apply to Energy Service Providers (“Suppliers”) doing business within the Company’s Service Area and to Customers where specified.

### 1. Obligations of Suppliers

- a. At all times, the Supplier must meet the applicable registration ~~and licensing~~ requirements established by law and/or by the Commission or the New Hampshire Department of Energy (“NHDOE”) and must comply with all applicable rules promulgated by the Commission or NHDOE.
- b. The Supplier or the Customer in the case of Self-Supply Service must be either a member of NEPOOL or have an agreement in place with a NEPOOL member whereby the NEPOOL member agrees to take responsibility for all the NEPOOL load obligations, including but not limited to losses and uplift costs, associated with supplying energy and capacity to the Customer’s delivery point.
- c. The Supplier or the Customer in the case of Self-Supply Service shall be responsible for providing all the capacity and energy needs of the Customer and shall be responsible for any and all losses which include all distribution and transmission losses along the Local Network from the PTF Facilities to the Customer’s delivery point.
- d. The Supplier shall provide the Company with at least 30 days’ notice prior to either the voluntary cancellation of an agreement for load responsibility with NEPOOL or a NEPOOL member, or the voluntary termination of business in the Company’s Service Area. The Supplier shall accept load responsibility for all its Customers, or have an agreement with a NEPOOL member which provides for accepting load responsibility for all its Customers, until the first meter read date for each respective ~~e~~Customer occurring two business days after notice to the Company or transmittal of any ~~E~~electronic ~~D~~data ~~I~~nterchange (“EDI”) to the Company.
- e. In the case of Self-Supply Service, the Customer shall provide the Company with at least 30 days’ notice prior to the cancellation of an agreement for load asset responsibility with either NEPOOL or a NEPOOL member. The Customer shall accept load responsibility or have an agreement with a NEPOOL member which provides for accepting load asset responsibility for the Customer until the Customer’s first meter read date occurring at least two business days after notice has been received by the Company from the Customer.
- f. The Supplier shall satisfy all the EDI ~~s~~Standards as approved by the Commission. A Supplier shall be required to complete testing of EDI transactions, consistent with all requirements and processes of the Company, prior to the rendering of Supplier Service to any Customer. “EDI Standards” means the standards for EDI transactions between Suppliers and electric utility companies; such standards shall be those set forth in the reports and implementation guides, as amended from time to time, of the Massachusetts Electronic Business Transactions Working Group, unless and until the Company is directed by the Commission to adopt and implement new EDI standards developed for New Hampshire or to comply with any existing New Hampshire EDI standards.
- g. The Supplier shall be responsible for reviewing and confirming the accuracy of all data provided to, or made available for, inspection to the Supplier by the Company during the load estimation, load reporting, billing and other processes described in these Terms and Conditions and/or ISO-NE’s Rules.

NHPUC NO. 10 - ELECTRICITY DELIVERY  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DBA EVERSOURCE ENERGY

Original Page 32  
2 Terms and Conditions for

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

- h. Each Supplier shall be required to enter into a service contract with the Company that resolves issues associated with, among other things, information exchange, problem resolution, and revenue liability. This contract must be entered into prior to initiation of Supplier Service to any Customer in the Company's Service Area.
- i. The Supplier shall be responsible for obtaining the Customer's authorization, in accordance with the Commission's or NHDOE's applicable rules, prior to the commencement of Supplier Service, except in the case of a community power aggregation operated on an opt-out basis.
- j. The Supplier shall be responsible for obtaining the Customer's written authorization for the release of the Customer's load history to the Supplier by the Company, except in the case of a community power aggregation that is entitled to such information under the Puc 2200 rules.

In the event a Supplier doing business in the Company's Service Area fails to comply with the obligations specified above, the Supplier shall promptly notify the Company or the Company will promptly notify the Supplier. The Supplier shall undertake best efforts to re-comply with its obligations under this Tariff and the applicable Commission's rules of the Commission or the NHDOE in a timely manner. Until the Supplier has re-satisfied its obligations, the Company reserves the right to deny any new customer enrollments from the Supplier. In the event the Supplier is unable or unwilling to re-satisfy its obligations, the Company may transfer the Suppliers' Customers to service under Default Service after notification to the Commission and the NHDOE.

## 2. Services and Schedule of Charges

Where applicable, the Customer and/or Supplier will be obligated to pay the following fees and charges to the Company for the following services:

### (a) Customer Usage Data

Suppliers will be provided with monthly usage data, at no charge, through via an EDI transaction in accordance with the guidelines adopted by the Commission or the NHDOE, as applicable. The Supplier is responsible for obtaining the Customer's written authorization to release this information, except for community power aggregations that are entitled to such information under the Puc 2200 rules, and will be required to maintain the confidentiality of the Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

NHPUC NO. 10 - ELECTRICITY DELIVERY  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DBA EVERSOURCE ENERGY

Original Page 34  
2 Terms and Conditions for

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

(b) Interval Data Services

The Company will provide the following ~~I~~interval ~~D~~ata ~~S~~ervices for Suppliers and Customers who wish to acquire, develop, or analyze time interval meter data from the Company's meter installed at the Customer's service location. The following services are limited to those service locations with interval data recorders installed. The interval data will be provided in 30-minute intervals.

The Supplier is responsible for obtaining the Customer's authorization to release the Customer's his/her meter data, except for community power aggregations that are entitled to such information under the Puc 2200 rules, and shall maintain the confidentiality of Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

1. Interval Data Access Service

- (i) Subscription Service for Interval Data ~~through~~via Electronic Mail (E-mail), U.S. Mail or Internet Server

The Company will provide the monthly interval data in an electronic format to the Customer or Supplier ~~through~~via E-Mail, U.S. Mail, or the Company will post the monthly interval data files to an internet server designated by the Company. The Customer or Supplier is responsible for downloading the file containing the interval data from the internet server.

Single Delivery Service Account..... \$25.00 per Month\*  
\*At Supplier's option, a \$300 annual charge may be assessed in lieu of the \$25 monthly charge.

- (ii) One-Time Request for Interval Data

If available, the Company will provide a Customer's historical interval data in an electronic format to the Customer or Supplier at the following rate:

Single Delivery Service Account..... \$50.00 per Request

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

2. Load Pulse Outputs Service

This service is offered to Customers or Suppliers who desire a pulse output from the Company's meter. The Company will acquire and install the equipment to allow the Customer or Supplier to interface with the Company's metering equipment and enable the Customer or Supplier to have access to load pulse output. Pulses representing kilowatt-hours are usually requested, but other electrical quantities such as kilovar-hours are also available. The Customer or Supplier has the option to connect this output to their own interval data recorder or other load monitoring or load management devices. The Customer or Supplier is responsible for connecting ~~its~~<sup>their</sup> own devices to the load pulse output. The one-time fee for this service is as follows:

Load Pulse Output

Up to Two Metered Quantities .....\$800 per Isolation Relay Device

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

(c) Supplier Customer Service

The Company will provide Customer Service, as an optional service, to Suppliers who have entered into a written agreement for Billing and Payment Service with the Company and who have entered into a written agreement for Supplier Customer Service with the Company for a minimum of one year. Customer Service is defined as processing of standard Customer informational requests on behalf of a Supplier, including Supplier balances, rate information, resolving disputes, and processing Customer enrollments. This service is available for Supplier's Customers located within the Company's Service Area. This service includes inbound calls and does not include outbound telemarketing service to potential Customers or promoting new Supplier services to existing Customers. The charges shall be assessed monthly and based on minutes of call handling time as follows:

Supplier Customer Service Charge ..... \$1.10 per minute

Nothing herein shall prohibit the Company and Supplier from negotiating an annual per customer fee for Customer Services. The Supplier will be responsible for establishing a separate toll-free number to allow the number of calls to be tracked as well as allowing for individualization of services.

(d) Billing and Payment Service

The Company will provide Billing and Payment Service as an option to Suppliers who have entered into a written agreement for Billing and Payment Service with the Company for a minimum of one year. The monthly Billing and Payment Service Charge, listed below, is for billing arrangements which can be accommodated by the Company's billing systems without significant programming changes:

Billing and Payment Service Charge .....\$ 0.07 per bill rendered  
Minimum Billing and Payment Service Charge ..... \$ 100.00 per month

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

The Company shall also provide, at its option, Billing and Payment Service for Supplier pricing options which require programming changes to the Company's billing systems. Suppliers will be assessed a one-time setup charge at the following rate to enable non-standard Supplier billing arrangements by the Company:

Programming Setup Charge..... \$95.00 per hour

Any request by the Supplier for Rate Maintenance and Error Correction service provided by the Company in support of Billing and Payment Service will be billed on a monthly basis using the hourly rate below. Rate Maintenance and Error Correction will include maintaining Supplier rates and pricing options in the Company's billing systems and calculating Customer billing adjustments due to Supplier errors in pricing.

Rate Maintenance and Error Correction Charge..... \$53.00 per hour

Prior to implementation of the Company's purchase of receivables program,  
Customer payments received by the Company shall be applied to balances due to the Company and the Supplier in the following order:

(1) utility outstanding deposit obligations, (2) any utility current payment arrangement obligations, (3) any utility budget billing arrangement obligations, (4) utility and supplier aged accounts receivables, with a priority for the utility aged receivables, (5) utility and supplier current charges, with a priority for the utility's current charges, and (6) any miscellaneous nonelectric service product or services.

(e) Off-Cycle Meter Reading

In the event of non-payment by a Customer receiving Delivery Service under Large General Delivery Service Rate LG, a Supplier shall be permitted to request an off-cycle meter reading by the Company pursuant to the notice requirements and terms provided in Rule Puc 2004.12. Suppliers will be assessed the following charge:

Off-Cycle Meter Reading Charge (if telemetered) \$53 per meter  
Off-Cycle Meter Reading Charge (if non-telemetered) \$84 per meter

3. Initiation and Termination of Supplier Service

(a) Initiation

To initiate Supplier Service to a Customer, the Supplier shall submit an Electronic Enrollment which shall comply with the EDI standard, as may be amended from time to time.

If the information on the Electronic Enrollment passes validation, the Company will send the Supplier a "Successful Enrollment" notice. Supplier Service shall commence on the date of the Customer's next meter read date, provided that the Supplier has submitted the Electronic Enrollment to the Company at least two business days prior to the scheduled meter read date. If the Company receives more than one Electronic Enrollment for the same Customer for the same enrollment period, the first successfully processed Electronic Enrollment shall be accepted. All subsequent Electronic Enrollments received during that enrollment period shall be rejected.

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations



If a Supplier's Electronic Enrollment fails to meet the requirements of this Tariff, the Company shall, within one business day of receipt of the Electronic Enrollment, notify the Supplier through an EDI Error notice.

(b) Termination

To terminate Supplier Service with a Customer, the Supplier of record shall submit electronically to the Company a valid "Supplier Drops Customer" transaction. Supplier Service shall terminate on the date of the Customer's next meter read date, provided that the "Supplier Drops Customer" transaction is submitted and successfully processed at least two business days prior to the Customer's scheduled meter read date. If the "Supplier Drops Customer" transaction is not received at least two business days prior to the scheduled meter read date, Supplier Service will terminate on the subsequent meter read date. The Company shall send a "Confirm Drop Date" transaction to the Supplier of record. The Supplier of record will be responsible for notifying the Customer of the termination date.

In cases where the Company uses estimated energy and demand values for billing purposes and the estimated bill coincides with the termination of Supplier Service, the Supplier shall agree to accept the estimated metering values as final values. The Company shall not be obligated to reconcile the estimated values after actual meter reading values are available.

(c) Customer Moves

If a Customer of record moves within the Company's Service Area and the Customer or designee notifies the Company prior to the initiation of Delivery Service at the new service location that the Customer he/she wishes to continue Supplier Service with the Supplier of record, the Company shall send a "Customer Move" notice to the Supplier and no Electronic Enrollment is necessary for the continuation of Supplier Service, except as otherwise provided in the Commission's rules under Puc 2205.05(a) for community power aggregations.

If a Customer of record initiates Delivery Service at a new service location, in addition to another established account within the Company's Service Area, the Customer shall be responsible for selecting a Supplier for the new service location. If an Electronic Enrollment is not received by the Company at least two business days before the initiation of Delivery Service, the Customer will be rendered energy and capacity under Default Service.

Unless the Company is notified otherwise by the Customer, the Company treats all applications for Delivery Service as a new Customer to the Service Area and the Customer will be rendered energy and capacity under Default Service at the new service location. In the event the Company is informed that the new application for Delivery Service is a Customer of record on or after the date Delivery Service is initiated, the Supplier will be notified either by the Customer Usage Information or the Customer Usage and Billing Information EDI transactions, if and when Delivery Service is terminated at the prior service location.

(d) Other

In the event a Delivery Service account is terminated by either the Customer or the Company, such termination will be shown on either the Customer Usage Information or the Customer Usage and Billing Information EDI transactions.

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

4. Exclusion of Supplier From Providing Service Within the State of New Hampshire or From the Regional Market

In the event of a Supplier's Default that has led to a Suspension from regional market participation by ISO-NE or another event causing a Supplier to be unable to provide service to its customers in New Hampshire, the Company shall transfer all Customers of the Supplier to Default ~~Energy~~ Service as of the effective date provided by ISO-NE or the Commission, as applicable, otherwise known as the transfer date. Such Suppliers will be assessed a customer transfer charge. Transferred Customers shall remain on Default ~~Energy~~ Service until the Company receives a valid Electronic Enrollment from a registered Supplier or notice from the Customer in the case of Self-Supply Service. The Company shall require a new signed service agreement with any Supplier that has been Suspended and has subsequently been reinstated by ISO-NE, or if another event caused a Supplier to be unable to provide service to its customers and that event was subsequently cured. Electronic Enrollments from Suppliers reinstated by ISO-NE or the ~~NHDOE Commission~~ shall be effective no sooner than thirty days from the transfer date provided by ISO-NE or the ~~NHDOE Commission~~, unless agreed to by the Company.

Customer Transfer Charge: \$64 per service account

5. Interruption, Disconnection, and Refusal of Delivery Service

Any interruption, disconnection, and refusal of Delivery Service by the Company shall be in accordance with this Tariff and the applicable rules of the Commission and the NHDOE. The Company shall not be liable for any revenue losses to Suppliers as a result of an interruption or disconnection of Delivery Service to an existing Customer.

In the event the Company refuses to supply or expand Delivery Service for any reason, the Company shall not be responsible for any losses or damages (direct, indirect, or consequential) to a Supplier resulting from the corresponding loss of compensation.

6. Metering

The Company shall meter each Customer in accordance with Tariff provisions. Each Customer shall be metered or its load estimated such that the loads can be reported to ~~the~~ ISO-NE for inclusion in the Supplier's, or applicable NEPOOL member's, load calculations.

In the event a Supplier utilizes the Company's meter readings for billing purposes, the Company shall not be responsible for any loss or damage to a Supplier resulting from a failure of the Company's metering equipment to partially or fully register the amount of electricity consumed by a Customer.

Should a Supplier install metering equipment or any other equipment on Customer-owned facilities which interferes with the operation of the Company's metering equipment or any other Company-owned equipment, the Supplier shall undertake best efforts to remedy the interference in a timely manner and shall compensate the Company for any damages resulting from the interference. Failure to remedy the interference may result in the termination of Delivery Service after 30 days' notice to the Supplier and Customer, subject to applicable rules of the Commission and the NHDOE.

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

The Company is not obligated to use metering data registered by Supplier-owned metering equipment for the purpose of billing Delivery Service under this Tariff or for reporting load to ISO-NE.

#### 7. Determination of Hourly Loads for ISO-NE Reporting

The determination and subsequent reporting of Supplier loads (which includes the coincident peak capacity values) shall be in accordance with ~~NEPOOL/ISO-NE Market Rules and Procedures~~, and applicable State regulations. Each Supplier's loads will be assigned to a specific load asset (as registered with ISO-NE) and the corresponding hourly values will be reported to ISO-NE for financial settlement of the wholesale electricity market, and appropriate regulatory bodies. Courtesy copies of this data may be provided to ~~the each~~ Supplier.

Load settlement is performed using a combination of actual hourly interval meter data and estimated data. The multi-step process includes the determination of the (i) Retail Territory Load (as said term is defined in Section A below), (ii) Customer loads, and (iii) Supplier loads, as well as any adjustments to those values. A description of each of these steps follows:

##### (a) Determination of the Retail Territory Load (Real Time Market Settlement)

On an hourly basis, the Company will calculate an aggregate value representing the load of its Customers served below the 345kV transmission system (the "Retail Territory Load") at the PTF Facilities boundary with the Company Metering Domain(s). The Retail Territory Load will consist of the five components below as represented in the ISO-NE settlement system:

- (1) Total metered output of generation connected to the Company Metering Domain
- (2) Plus net imports into the Company Metering Domain
- (3) Less net exports from the Company Metering Domain
- (4) Less non-retail loads (e.g., wholesale load served to municipalities)
- (5) Less the Company Metering Domain's low voltage PTF Facilities losses as estimated by ISO-NE.

##### (b) Determination of Customer Load

The Customer hourly loads shall be determined from either actual hourly interval data or estimated from rate class profiles.

When utilizing average rate class profiles, the Company shall calculate the usage factor for each Customer that reflects the Customer's usage relative to the average usage for the rate class. This Customer usage factor shall be used to scale the class load profile when estimating the Customer's hourly load.

The Company will increase the hourly loads by a distribution loss factor, to account for losses between the Customer meter and the ISO-NE reporting point, the PTF Facilities boundary. The distribution loss factors used are for approximation purposes only and are to be used exclusively for the calculation of the Customers loads. Any potential difference between these loss factors and actual hourly losses will be captured in the allocation of the "residual," as described below.

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

(c) Determination of Supplier Loads

Each Customer, including those on Default ~~Energy~~-Service or Self-Supply, will be assigned ~~antheir~~ associated Supplier code from the billing database. The Customer loads from ~~subs~~Section (b) above will be summed, for each hour, by this Supplier code. For each hour, the difference between the Retail Territory Load and the sum of the loads from ~~subs~~Section (b) above will constitute the “residual.” The loads from ~~subs~~Section (b) above will be adjusted by the residual. The residual will be allocated proportionally to each Supplier’s share of the profiled loads from ~~subs~~Section (b) above.

The sum of the loads plus any residual will constitute the Supplier hourly loads. The sum of the Supplier hourly loads in a Metering Domain will equal the Retail Territory Load of the same Metering Domain.

To refine the estimates of the Supplier’s loads that result from the estimated hourly loads, a monthly calculation shall be performed to incorporate the most recent Customer usage information, which is available after the monthly meter readings are processed.

(d) Reporting of Supplier Loads for ~~the~~-ISO-NE Settlement Processes

In accordance with ~~the~~-ISO-NE ~~r~~Rules and procedures, as amended from time to time, the Company will report to ISO-NE the Supplier hourly loads in the time period specified by the ISO-NE Rules for the initial settlement.

Subsequently, in accordance with ~~the~~-ISO-NE’s ~~r~~Rules and procedures that pertain to the resettlement processes, the Company will submit to ISO-NE any revised hourly values for assets reflected in the ISO-NE settlement system that are used to determine the Retail Territory Load for each hour of each day. The Company will also submit to ISO-NE any revised hourly energy quantities for each Supplier for each resettlement process.

As wholesale electricity market changes are implemented, the Company will comply with all such applicable market changes when determining the Retail Territory Load. The Company also shall determine and report ~~the~~-Supplier loads consistent with applicable market rules and procedures.

(e) Data Review

The process of Supplier load estimation involves statistical samples and estimating error. The Company shall not be responsible for any estimating reporting, settlement or other types of errors associated with, or resulting from, this process, and the Company shall not be liable to any Supplier or any third party for any costs or losses that are associated with such errors. Each

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations

Supplier is solely responsible for checking and ensuring the accuracy of all such data.

The terms above are also applicable to Customers who are receiving Self-Supply Service and Customers served by a community power aggregation serving as a load-serving entity.

## 8. Liability

The Company shall have no liability with respect to any transaction or arrangement by or between a Customer and Supplier.

The Company and the Supplier shall each indemnify and hold harmless the other Party and ~~its~~their respective affiliates, and the directors, officers, employees, and agents of each of them (collectively, "Affiliates"), ~~harmless~~ from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively, "Liabilities"), resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of such ~~p~~Party in connection with the performance of its obligations under this Tariff. The Company and the Supplier shall each waive recourse against the other ~~p~~Party and its Affiliates for or arising from the non-negligent performance by such other ~~p~~Party in connection with the performance of its obligations under this Tariff.

## 9. Purchase of Receivables Program

### (a) Eligibility for Purchase of Receivables ("POR") Program

Suppliers that choose consolidated billing service for either all or a portion of their Customer accounts in any Customer class ("Participating Suppliers") shall be required to sell their Accounts Receivable to the Company relating to Supplier Service provided to those Customers for whom the Company issues a consolidated bill.

### (b) Billing Procedures

The Company shall issue a single consolidated bill for all electric service to each Customer served by a Participating Supplier. The Company shall use the rates supplied by the Supplier to calculate the Supplier Service portion of Customer bills, and this billing shall be integrated with the Company's own billing in a single mailing to the Customer. The Company shall send a "customer usage and billing information" electronic transaction to the Supplier, in accordance with the EDI Standards.

The Company shall send a "payment/adjustment" detail spreadsheet within one business day of the Supplier's request, once the funds have been sent to the Supplier in accordance with the rules and procedures set forth in the EDI Standards, or in accordance with a negotiated, uniform set of rules and procedures that apply to all Participating Suppliers. Customer revenue due to the Supplier shall be transferred to the Supplier in accordance with the Electric Supplier Services Master Agreement entered into by the Supplier and the Company, calculated in the manner described in subsection 9(d) below. Any adjustments shown on such spreadsheet shall be made to the payment amount otherwise due to the Supplier, subject to application of the Discount Percentage Rate as calculated pursuant to subsection 9(d) below.

(c) Timing of Payment to Participating Suppliers

The payment to Suppliers of the amounts computed in accordance with the provisions of subsection 9(d) below shall be made monthly consistent with the combined average payment period of the Company's Customer classes. Unless otherwise ordered by the Commission, the average payment period shall be based on actual historical data for the most recent calendar year, or other appropriate period, as approved by the Commission. On or before March 1st of each year, the Company shall file with the Commission data on the average historical payment period that will be in place the subsequent year beginning on August 1st. The Discount Percentage Rate computed in accordance with the provisions of subsection 9(d) below will remain in effect for the entire year, unless otherwise approved by the Commission.

(d) Amount of Payment to Participating Suppliers

The Company shall pay to the Supplier the full amounts due from Customer for Supplier Service, less the applicable Discount Percentage Rate as defined below. For any Customer that has elected budget billing, or is subject to a periodic payment plan agreed to by the Company, the full amounts due for Supplier Service shall be based on the Customer's actual usage rather than on the amount the Customer is billed under the budget billing program or such periodic payment plan. In all other instances, the full amounts due for Supplier Service shall be based on the amount actually billed to the customer.

On or before March 1st of each year, the Company shall file with the Commission the said percentages that will be in place for the subsequent year beginning on August 1st. The percentages shall remain in effect for the entire year unless otherwise approved by the Commission. The percentages shall be computed in accordance with the following formula:

$DPR_{cc} = UP_{cc} + ACP_{cc} + AICE_{cc} + PPR_{cc}$ , where

CC = The Customer Classification of residential or non-residential, where "non-residential" means customers in all rate classes other than residential rate classes.

DPR<sub>cc</sub> = Discount Percentage Rate for the Customer Classification to be deducted from the full amounts due for Supplier Service.

UP<sub>cc</sub> = Uncollectible Percentage by Customer Classification is the sum of the net write-offs for Supplier Service billed by the Company through consolidated billing service for each Customer Classification, based on actual data for the most recent calendar year, divided by the total amounts billed by the Company, including late payment fees if included in net write-offs, for Supplier Service billed to that Customer Classification by the Company through consolidated billing service during the same period.

Notwithstanding the foregoing, during the first year or other initial period of POR program operation, ending on July 31, 2025, the uncollectible percentage shall be the total amount of net write-offs by the Company for each Customer Classification based on actual data for the most recent calendar year, divided by the total amounts billed by the Company, including late payment fees if included in net write-offs, to that Customer Classification.

ACP<sub>cc</sub> = Administrative Cost Percentage is the total forecasted incremental costs



of POR program administration and collection to be recovered through the DPRcc for the subsequent year divided by the total amounts billed for Supplier Service by the Company through consolidated billing for the most recent calendar year. For the first year or other initial period of the POR program, the Administrative Cost Percentage shall be zero. The costs will be apportioned to each Customer Classification based on the total supplier kWh billings for such Customer Classification.

AICEcc = Amortized Incremental Capital Expense is the Company's cumulative revenue requirement calculation for the return of and return on incremental capital costs directly related to the development and implementation of changes to billing, information, and accounting systems required to implement the billing and payment procedures related to the POR program into the Company's consolidated billing service, to be amortized and recovered through the DPRcc over a five-year period. The revenue requirement will be apportioned to each Customer Classification based on the total supplier kWh billings for such Customer Classification, provided, however, that the portion of the revenue requirement attributable to incremental capital costs incurred to upgrade the Company's large power billing system shall be allocated entirely to the non-residential Customer Classification.

PPRPcc = Past Period Reconciliation Percentage for the Customer Classification shall be calculated pursuant to the following equation:

Sum of 12 months of ((monthly Actual Reconcilable Costs – monthly Actual Supplier Discounts Applied) + Monthly Interest Accrued) divided by Actual Supplier Billings

Where each of these components is defined as follows:

(1) Actual Reconcilable Costs – the sum of (a) actual net write-offs for Supplier Service billed by the Company through consolidated billing service, (b) actual POR administrative costs incurred, allocated based on total supplier kWh billings, and (c) actual POR amortized incremental capital expenses, allocated based on total supplier kWh billings, except for any such costs related to the large power billing system, which shall be allocated entirely to the non-residential Customer Classification, in each case for the applicable Customer Classification for the most recent calendar year.

(2) Actual Supplier Discounts Applied – the sum of the actual discounts applied to supplier payments during the most recent calendar year, for the applicable Customer Classification.

(3) Monthly Interest Accrued – a monthly interest amount calculated on the average monthly balance of the cumulative variance between Actual Reconcilable Costs and Actual Supplier Discounts Applied, using the prime rate as reported in the Wall Street Journal, consistent with the interest calculations performed by the Company for other annually reconciling rate mechanisms.

(4) Actual Supplier Billings - the total dollar amount billed to customers in the Customer Classification for Supplier Service billed by the Company through consolidated billing service for the most recent calendar year.

(e) Information Required to be filed with the Commission

Information pertaining to the annual filing pursuant to subsections 9(c) and (d) above, and any other filings to seek changes to the above provisions, shall be fully documented and include updated information relating to preliminary reconciliation data for the year in which the filing is made, with actual reconciliation amounts to be submitted the subsequent year.

(f) Implementation of POR Program

The effective date of the Company's POR program shall be the later to occur of either (i) May 1, 2025, or (ii) the first day of the month following notice by the Company to the Commission that all system modifications necessary to implement the POR program have been completed, tested, and are fully operational.

Pursuant to the terms and conditions of the Electric Supplier Services Master Agreement with a Participating Supplier, the Company shall pay the Supplier for amounts already existing as outstanding accounts receivables of the Supplier, within thirty (30) days following the initial implementation date of the Company's POR program. The amounts payable for purchase of such existing accounts receivables shall be subject to the DPRcc as calculated by the Company pursuant to subsection 9(d) above, and shall be subject to full reconciliation in accordance with the PPRPcc provisions in subsection 9(d)(1) above.

Pursuant to the terms and conditions of the Electric Supplier Services Master Agreement with a Participating Supplier, the Supplier shall grant to the Company a first priority perfected security interest in and to the accounts receivable that the Company will be purchasing through its POR program, including any such accounts receivable that have not yet been billed. A Participating Supplier shall be authorized by the Company to place a security interest on the accounts receivable from the Company to the Participating Supplier associated with the purchase by the Company of the Participating Supplier's accounts receivable.

Issued: December 23, 2020

Issued by: Joseph A. Purington

Effective: January 1, 2021

Title: President, NH Electric Operations