

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF

AVAILABILITY

The Company will purchase electricity from and provide certain service to any small power producer, cogenerator, or limited electrical energy producers (collectively referred to as a "Qualifying Facility" or, "QF") in its service territory as required by the New Hampshire Limited Electrical Energy Producer Act, N.H. RSA 362-A (LEEPA), or the Federal Public Utility Regulatory Policies Act Section 210 (PURPA).

PURCHASE RATES

Rates for Qualifying Facilities 1 MW or Greater

Qualifying Facilities that have a design capacity of 1 MW or greater shall have their output metered and purchased at rates equal to the payments received by the Company from the ISO-NE, net of all charges imposed by the ISO-NE for such output, for the hours in which the Qualifying Facility generated electricity in excess of its requirements.

Rates for Qualifying Facilities Less Than 1 MW

Qualifying Facilities with a design capacity less than 1 MW, shall have their output metered and purchased at rates equal to the arithmetic average of the Short-Run Energy rate in the calendar month, net of all charges imposed by the ISO-NE for such output, for the KWH which the Qualifying Facility generated electricity in excess of its requirements. The Short-Run Energy rate is the hourly market-clearing price for energy as determined by the ISO-NE and its successors.

Net Metering - Rates for Qualifying Facilities 1 MW or Less

Projects 1 MW and under using solar, wind, hydro, or other eligible renewable sources of generation shall have the option of being served under Net Energy Metering, as long as they meet all eligibility criteria, as specified by NH RSA 362-A:9; NHPUC Rules Chapter Puc 900: "Net Metering For Customer-Owned Renewable Energy Generation Resources of 1,000 kilowatts or less"; and Commission Order No. 25,972 in Docket No. DE 16-576, which preserves the current net metering program during the interim period beginning March 2, 2017, and ending when a subsequent order is issued approving a successor alternative net metering tariff.

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

Rates for Capacity and Reserves-Related Products

The Company shall make payments to a Qualifying Facility for capacity and/or reserves-related products if the sale is recognized by ISO-NE as a capacity and/or reserves-related product sale. The Company shall pay rates equal to the payments received for the sale of any capacity and/or reserves-related products associated with such Qualifying Facility output to the ISO-NE, net of all charges imposed by the ISO-NE.

Line Losses

Energy for purchases shall be adjusted to reflect the costs or savings in line losses that result from purchases from the Qualifying Facility. Because the appropriate line loss factor and adjustment may be unique to each interconnection, the Company will adjust the line loss factor on a case by case basis.

PAYMENT

Payment by Company for Power Supplied

A Qualifying Facility selling power to the Company may choose to receive a check from the Company as payment for power supplied or may have payment credited towards its bill from the Company.

Payment by Customer for Interconnection Costs

These payment provisions shall apply to new Qualifying Facilities who are taking service under this schedule. The Qualifying Facility shall pay all incremental interconnection costs that are a direct result of connecting the Customer's power production equipment to the Company's distribution system, including the cost of engineering studies that will be used to provide a more accurate assessment of interconnection costs. The Company's procedures for interconnection studies and cost estimates are set forth in Section V of Unitil Interconnection Requirements for Customer Owned Generation. The incremental cost of interconnection, including the cost of engineering studies, shall be paid in advance of any work undertaken by the Company.

The incremental cost of interconnection includes the costs of installation, equipment, operations and maintenance expense, property taxes, insurance, and all incremental modifications to the distribution and transmission system to the extent such incremental

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

modifications are for the sole benefit of the customer-generator and are necessary to incorporate the Customer's generation into the Company's distribution system. Costs of system improvements and equipment installed to provide retail service to the Customer consistent with the Company's Terms and Conditions for Distribution Service shall be excluded from the incremental cost of interconnection.

INTERCONNECTION STANDARDS

The Company's interconnection standards for Qualifying Facilities located within its service territory are set forth in Unitil Interconnection Requirements for Customer Owned Generation. These standards for interconnection shall apply to all new Qualifying Facilities taking service under this Schedule. Wholesale transactions shall follow the interconnection requirements or standards set forth by the ISO-NE and the Federal Energy Regulatory Commission (FERC).

RATE FOR OTHER ELECTRICAL SERVICES

The Company shall, upon request by a Qualifying Facility, supply to a Qualifying Facility supplementary, back-up, maintenance, and interruptible power under the rate schedules applicable to all customers for such service, regardless of whether they generate their own power. Where it is possible for a Qualifying Facility to receive this service under the applicability clauses of more than one rate schedule, the Qualifying Facility may choose the rate schedule under which it will be served.

INDEMNIFICATION

The Qualifying Facility shall defend, indemnify and hold the Company harmless from and against all claims for damage to the Qualifying Facility's equipment or damage or injury to any person or property arising out of the Qualifying Facility's use of generating equipment in parallel with the Company's own system; provided that nothing in this paragraph shall relieve the Company from liability for damages or injury caused by its own willful default or willful neglect.

TARIFF PROVISIONS

The Company's complete Tariff where not inconsistent with any specific provisions hereof, is part of this Schedule.

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Net Metering - Rates for Qualifying Facilities ~~25~~ 1 kW-MW or Less

Projects ~~25 kilowatts~~ 1 MW and under using solar, wind, ~~and/or~~ hydro, or other eligible renewable sources of generation shall have the option of being served under Net Energy Metering, as long as they meet all eligibility criteria, as specified by NH RSA 362-A:9; ~~and~~ NHPUC Rules Chapter Puc 900; “Net Metering For Customer-Owned Renewable Energy Generation Resources of ~~25~~ 1,000 kilowatts or ~~less~~”; and Commission Order No. 25,972 in Docket No. DE 16-576, which preserves the current net metering program during the interim period beginning March 2, 2017, and ending when a subsequent order is issued approving a successor alternative net metering tariff.

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SCHEDULE QF (continued)

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TARIFF PROVISIONS

Issued: ~~October 20, 2006~~ January 27, 2017
Effective: ~~November 1, 2006~~ February 1, 2017

Issued By: Mark H. Collin
~~Treasurer~~ Sr. Vice President

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

The Company's complete Tariff where not inconsistent with any specific provisions hereof, is part of this Schedule.

Issued: November 1, 2005
Effective: December 1, 2005

Issued By: Mark H. Collin
Treasurer