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 kilowatt-hours (“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 in the New Hampshire Load Zone.

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.

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

NET ENERGY METERING

Net Energy Metering - Rates for Eligible 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/or Commission Order No. 26,029 in Docket No. DE 16-576 promulgating rules for an alternative net metering tariff effective September 1, 2017, as described below. If the Company is not able to bill or credit under the new net metering tariff as of the approved effective date, then distributed generation projects will be billed and credited under the current standard net metering tariff rates in accordance with Puc 903.02(f) and Puc 903.02(g) until such time as the utility is able to implement the new net metering tariff provisions. The Company will provide at least 30 days advance notice to its Customers of the implementation date upon which billing and crediting under the new net metering tariff will commence.

Net Metering Tariff Effective Beginning on September 1, 2017 in Accordance with Order No. 26,029 Dated June 23, 2017 ("Alternative Net Metering Tariff")

1. Eligibility

Customer-generators with installations of 100 kW (AC) or less are eligible to participate in net energy metering as a small customer-generator, as defined in Puc 900.

Customer-generators with installations of more than 100 kW (AC) are eligible to participate in net energy metering as a large customer-generator, as defined in Puc 900, if they consume at least twenty percent (20%) of their installation's production on-site and behind-the-meter. If the on-site consumption of the customer-generator is less than 20% of the installation's production, the customer will have to be registered as a group host under RSA 362-A:9, XIV. Large customer-generators that meet the 20% on-site consumption threshold have the right to switch to the Alternative Net Metering Tariff by providing written notice of such election to the Company.

2. Metering

The Company will install a bi-directional meter to record in separate channels the quantities of electric imports from the distribution utility grid and electric exports to the distribution utility grid over a billing period. Large customer generators may be required to install and maintain a dedicated phone line to facilitate the installation of an interval meter with

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

telemetering capability so that the generator can be registered with ISO-NE as a settlement only generator. At the time of interconnection, a customer may request, at no cost, installation of a Company-owned production meter. The Customer must provide and install an appropriate meter socket in a physical location acceptable to the Company.

3. Billing

All customer-generators will be billed under the same rate schedule that the customer would be billed if it had no generation.

Small customer-generators will be billed for the net positive amount of kWh delivered to the Customer during each billing period under the same rate schedule that the customer would be billed if it had no generation, except that the Stranded Cost Charge, Storm Recovery Adjustment Factor, System Benefits Charge, the non-Transmission portion of the External Delivery Charge, and the Electricity Consumption Tax will be billed on the full amount of electricity delivered (as registered on the import channel of the meter) to the customer during each billing period.

Small customer-generators will be credited for the net surplus kWh exported into the distribution system during each billing period for Default Service (only if the Customer receives Default Service from the Company), the Transmission portion of the External Delivery Charge, and twenty-five percent (25%) of the Distribution rate under the same rate schedule. No credit will be applicable for the Stranded Cost Charge, Storm Recovery Adjustment Factor, System Benefits Charge, the non-Transmission portion of the External Delivery Charge, and the Electricity Consumption Tax.

Small customer-generators will receive a monetary bill credit for the net surplus electricity exported into the distribution system and will not accumulate surplus kWh following each applicable billing period.

Large customer-generators will be assessed all charges associated with their rate class based on the full amount of their electricity imports without any netting of exports during the billing period. Customers who receive Default Service from the Company will receive a monetary bill credit for their electric exports during each billing period calculated at the Default Service rate.

For customer-generators taking energy service from a Competitive Supplier, the Competitive Supplier may determine the terms, conditions, and prices under which it agrees to provide generation supply to and purchase net generation output from the customer-generators.

Customer-generators with a monetary credit balance exceeding $100 as of March 31 of each year shall have the option to receive a cash payment for the monetary credit balance.

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

Customer-generators with a monetary credit balance of any amount which move or discontinue service shall receive a cash payment for the full amount of their monetary credit balance.

4. Renewable Energy Certificates

The Company will serve as the independent monitor for customer-generators who elect to receive a Company-owned production meter. The Company will report the electricity production of such customer-generators at least quarterly to NEPOOL-GIS, at no cost to the customer. The Company will file an application on behalf of such customer-generators for Commission certification of the eligibility of their installations to produce renewable energy certificates pursuant to RSA 362-F and the Commission's Puc 2500 rules. Any customer requesting a Company-owned production meter or requesting the Company to serve as the independent monitor must agree to all terms and conditions provided by the Company and respond in a timely manner to requests for information from the Company.

5. Applicable Period of Alternative Net Metering Tariff

Any customer-generator whose installation receives a net metering capacity allocation from the Company on or after September 1, 2017, and any customer-generator with an installation or capacity allocation above the Company's share of the net metering cap under RSA 362-A:9, I prior to September 1, 2017, will be entitled to be net-metered pursuant to the Alternative Net Metering Tariff until December 31, 2040, notwithstanding any subsequent revision, modification, adoption, approval, revocation, or repeal of any applicable net metering tariff or other alternative regulatory mechanism applicable to customer-generators.

PAYMENT

Payment by Company for Power Supplied

A Qualifying Facility, other than Net Energy Metering above, 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

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

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 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.

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

TARIFF PROVISIONS

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

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).

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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~~kilowatt-hours (“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 in the New Hampshire Load Zone.

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

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

adjustment may be unique to each interconnection, the Company will adjust the line loss factor on a case by case basis.

NET ENERGY METERING

Net Energy Metering - Rates for Eligible 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/or Commission Order No. ~~25,972~~26,029 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~~promulgating rules for an alternative net metering tariff effective September 1, 2017, as described below. If the Company is not able to bill or credit under the new net metering tariff as of the approved effective date, then distributed generation projects will be billed and credited under the current standard net metering tariff rates in accordance with Puc 903.02(f) and Puc 903.02(g) until such time as the utility is able to implement the new net metering tariff provisions. The Company will provide at least 30 days advance notice to its Customers of the implementation date upon which billing and crediting under the new net metering tariff will commence.

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RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

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Small customer-generators will receive a monetary bill credit for the net surplus electricity exported into the distribution system and will not accumulate surplus kWh following each applicable billing period.

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

Large customer-generators will be assessed all charges associated with their rate class based on the full amount of their electricity imports without any netting of exports during the billing period. Customers who receive Default Service from the Company will receive a monetary bill credit for their electric exports during each billing period calculated at the Default Service rate.

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5. Applicable Period of Alternative Net Metering Tariff

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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

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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.

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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).

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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.