

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

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. 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. Grandfathering Provisions

Subsequent sales or other transfers of ownership of a net-metered system or the property upon which the system is located shall not impact the terms and conditions under which the customer-generator is rendered net metering service. New owners shall be allowed to continue to take service under the same terms and conditions in effect at the time of such sale or transfer until 2040, in accordance with RSA 362-A:9,XV and Order No. 25,972, or pursuant to Order No. 26,029, provided that the system is not moved to a different location by the purchaser, transferee, or otherwise.

Residential small customer-generators may expand their systems without limitation, provided that the expansion does not result in total system capacity in excess of 100 kW.

Non-residential small customer-generators may expand the capacity of their systems by an amount up to the greater of either 20 kW or 50 percent of the system capacity allocated into the standard net metering program prior to September 1, 2017, or the original capacity of a system installed under the alternative net metering tariff effective as of September 1, 2017, as applicable, provided that in neither case can any such expansion have the effect of increasing the system's capacity to an amount in excess of 100 kW.

Non-residential large customer-generators may expand the capacity of their systems by an amount up to the greater of either (1) 50 kW, or (2) a capacity amount such that the expanded system is sized to produce 110 percent of the customer-generator's annual kilowatt-hour on-site usage, as clearly demonstrated through the customer-generator's documentation of any consecutive 12-months within the previous two years.

In neither case, can any such expansion have the effect of increasing the system's capacity to a level in excess of one megawatt. Expansion of a net-metered system by or for a commercial or industrial customer-generator smaller than the applicable limitation will allow the customer-generator to continue to be grandfathered, while any such expansion in excess of the applicable limitation will result in the entire net-metered system losing its net metering grandfathered status.

Authorized by NHPUC Order No. 26,047 in Case No. DE 16-576 dated August 18, 2017.

Issued: December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

5. 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 respond in a timely manner to requests for information from the Company.

6. 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 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.

Authorized by NHPUC Order No. 26,047 in Case No. DE 16-576 dated August 18, 2017.

Issued: December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

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.

TARIFF PROVISIONS

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

Authorized by NHPUC Order No. 26,047 in Case No. DE 16-576 dated August 18, 2017.

Issued: December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

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.

Formatted: Top: 1.5"

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. 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. Grandfathering Provisions

Subsequent sales or other transfers of ownership of a net-metered system or the property upon which the system is located shall not impact the terms and conditions under which the customer-generator is rendered net metering service. New owners shall be allowed to continue to take service under the same terms and conditions in effect at the time of such sale or transfer until 2040, in accordance with RSA 362-A:9.XV and Order No. 25,972, or pursuant to Order No. 26,029, provided that the system is not moved to a different location by the purchaser, transferee, or otherwise.

Residential small customer-generators may expand their systems without limitation, provided that the expansion does not result in total system capacity in excess of 100 kW.

Non-residential small customer-generators may expand the capacity of their systems by an amount up to the greater of either 20 kW or 50 percent of the system capacity allocated into the standard net metering program prior to September 1, 2017, or the original capacity of a system installed under the alternative net metering tariff effective as of September 1, 2017, as applicable, provided that in neither case can any such expansion have the effect of increasing the system's capacity to an amount in excess of 100 kW.

Non-residential large customer-generators may expand the capacity of their systems by an amount up to the greater of either (1) 50 kW, or (2) a capacity amount such that the expanded system is sized to produce 110 percent of the customer-generator's annual kilowatt-hour on-site usage, as clearly demonstrated through the customer-generator's documentation of any consecutive 12-months within the previous two years.

In neither case, can any such expansion have the effect of increasing the system's capacity to a level in excess of one megawatt. Expansion of a net-metered system by or for a commercial or industrial customer-generator smaller than the applicable limitation will allow the customer-generator to continue to be grandfathered, while any such expansion in excess of the applicable limitation will result in the entire net-metered system losing its net metering grandfathered status.

Authorized by NHPUC Order No. 26,029-047 in Case No. DE 16-576 dated ~~June 23~~ August 18, 2017.

Issued: ~~August 31~~ December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

45. 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 respond in a timely manner to requests for information from the Company.

56. 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 interconnection studies and cost estimates are set forth in Section V of Unitil Interconnection Requirements for Customer Owned Generation. The incremental cost of interconnection,

Authorized by NHPUC Order No. 26,029-047 in Case No. DE 16-576 dated ~~June 23~~August 18, 2017.

Issued: ~~August 31~~December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President

RATES APPLICABLE TO QUALIFYING FACILITIES
SCHEDULE QF (continued)

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.

Authorized by NHPUC Order No. 26,029-047 in Case No. DE 16-576 dated ~~June 23~~August 18, 2017.

Issued: ~~August 31~~December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President

NHPUC No. 2 – Electricity Delivery
Unitil Energy Systems, Inc.

~~First~~Second Revised Page 78-C
~~Issued in lieu of Original~~Superseding First
Revised Page 78-C

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.

Authorized by NHPUC Order No. 26,029-047 in Case No. DE 16-576 dated ~~June 23~~August 18, 2017.

Issued: ~~August 31~~December 7, 2017
Effective: September 1, 2017

Issued By: Mark H. Collin
Sr. Vice President