NANTUCKET ELECTRIC COMPANY

RESIDENTIAL REGULAR R-1
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service under this rate is available for all domestic purposes in an individual private dwelling or an individual apartment and for church and farm purposes. The Company may under unusual circumstances permit more than one set of living quarters to be served through one meter under this rate, but if so, the Customer Charge shall be multiplied by the number of separate living quarters so served. A church and adjacent buildings owned and operated by the church may be served under this rate, but any such buildings separated by public ways must be billed separately.

Customers receiving delivery service under this rate shall be charged the applicable charges contained in the Summary of Electric Service Rates Tariff as in effect from time to time.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Customer and kWh Charges.

ADJUSTMENT FOR CABLE FACILITIES SURCHARGE

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Cable Facilities Surcharge Provision to reflect costs related to the Company's cable facilities.

For purposes of applying the Cable Facilities Surcharge, the summer months are defined as the months of June through September. Winter months are the months of October through May.

MINIMUM CHARGE

The monthly minimum charge shall be the monthly Customer Charge.

HEAT PUMP RATE

All customers who qualify for Residential Regular R-1 Retail Delivery Service ("Rate R-1") and have a device that is used for space heating or supplementing another space heating heat source during winter months for their home or part of their home by transferring thermal energy from the outside with the use of the refrigeration cycle are eligible to opt into the R-1 Heat Pump Rate. Under the R-1 Heat Pump Rate, customers will be charged the R-1 Heat Pump Base Distribution Charge and R-1 Heat Pump Transmission Service Charge based on their kWh usage during the winter heating season, defined as November 1 through April 30. For new customers, the R-1 Heat Pump Rate will be applied to the first bill following their enrollment. Service under the R-1 Heat Pump Rate will be contingent on confirmation of an eligible device as described above installed at the service location. The Monthly Charge will be the sum of the applicable Customer Charge and all applicable kWh charges, including kWh charges for the R-1 Heat Pump Base Distribution Rate and R-1 Heat Pump Transmission Service Rate, contained in the Summary of Electric Service Rates Tariff as in effect from time to time. The monthly minimum charge shall be the monthly Customer Charge.

The R-1 Heat Pump Rate will be available to qualifying Rate R-1 customers until the Company's next distribution rate plan, or until an alternative rate is approved by the Department of Public Utilities ("Department") or the R-1 Heat Pump Rate is otherwise terminated by the Department.

Customers selecting the R-1 Heat Pump Rate may choose to return to the default rate under Rate R-1 after 12 billing cycles. Customers returning to the default rate under Rate R-1 from the R-1 Heat Pump Rate must remain on the default rate under Rate R-1 for 12 billing cycles before being eligible to select the R-1 Heat Pump Rate again.

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The Company reserves the right to audit the authenticity of the verification information provided with the customer application. If the authenticity of the verification information cannot be confirmed by the Company, the Company will remove the customer from the R-1 Heat Pump Rate until verification information from the customer is confirmed.

Service under this rate is also subject to enrollment requirements on the Company's website.

RATE ADJUSTMENT PROVISIONS

The charges for delivery service under this rate shall be subject to adjustment pursuant to the following provisions:

Advanced Metering Infrastructure Provision
Attorney General Consultant Expenses Provision
Basic Service Adjustment Provision
Electric Vehicle Program Provision
Electronic Payment Recovery Provision
Energy Efficiency Provision
Grid Modernization Provision
Infrastructure, Safety, Reliability and Electrification Provision
Net Metering Provision
Pension/Post-retirement Benefits Other than Pension Mechanism Provision
Performance-Based Ratemaking Provision
Renewable Provision
Renewable Energy Recovery Provision
Residential Assistance Adjustment Provision
Revenue Decoupling Mechanism Provision
Smart Grid Adjustment Provision
SMART Provision
Solar Cost Adjustment Provision
Storm Fund Replenishment Provision
Tax Credit Provision
Transition Cost Adjustment Provision
Vegetation Management Pilot Provision
Winter Relief Recovery Provision

TRANSMISSION SERVICE COST ADJUSTMENT

Transmission service is available to all retail customers taking service under this rate. Customers eligible for the Heat Pump Rate shall be placed on a reduced R-1 Heat Pump Transmission Service Charge during the winter heating season, as described above. The transmission charge under this rate shall be calculated in accordance with the Company's Transmission Service Cost Adjustment Provision.

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BASIC SERVICE

Any Customer who does not have a supplier other than the Company will receive and pay the Company for Basic Service in accordance with the terms and price for Basic Service established by the Department of Public Utilities.

FARM DISCOUNT

Customers who meet the eligibility requirements for being engaged in the business of agriculture or farming as defined in M.G.L. Chapter 128 Section 1a at their service location are eligible for an additional discount from their distribution service rates. The discount will be calculated as 10% of the Customer's total bill for service provided by the Company before application of this discount. Customers who meet the requirements of this section must provide the Company with appropriate documentation of their eligibility under this provision.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate.