MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE

APPENDIX A

SCHEDULE OF FEES AND CHARGES

The following fees and charges shall be a part of the Terms and Conditions of Massachusetts Electric Company and Nantucket Electric Company (together "the Company").

I. Account Restoration Charge

Pursuant to the Company's Terms and Conditions, the Company may assess an Account Restoration Charge for the restoration of service after discontinuance pursuant to Section II.6 of the Company's Terms and Conditions. The Account Restoration Charge of thirty-seven dollars ($37.00) will be charged and collected from all Customers except the Company's income-eligible (Rate Schedule R-2) Customers. Customers disconnected at a pole or manhole will pay the same charge or a higher charge if the MDPU should approve a higher charge for restoration at a pole or manhole. This charge will be paid in a means acceptable to the Company prior to restoration of service. Local distribution service connections seasonally discontinued at the Customer's request will be assessed the same charges.

II. Returned Check Fee

Pursuant to the Company's Terms and Conditions, the Company may assess a Returned Check Fee for checks the Company has received from the Customer and presented to and subsequently dishonored by any bank pursuant to Section II.5K of the Company's Terms and Conditions. The Returned Check Fee of five dollars and sixty cents ($5.60) dollars will be charged and collected from all Customers except the Company's income-eligible (Rate Schedule R-2) Customers.

III. Line Extension Fees for Policy 1 and Policy 2

Summary of Fees and Charges- Policy 1

Allowed Overhead Distance per House	150 feet or 1 pole, whichever is greater
Overhead Cost per Foot	
Sole Ownership	$56.01*
Joint Ownership	$53.00*

Under Policy 1, there is no allowed underground distance for a single residential home. The Customer is given a credit equal to the cost of 150 feet of overhead distribution line towards the construction cost of the underground line extension and the Customers pays for the costs in excess of the amount of the credit.

*These costs do not include the tax liability for customer cash payments.

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE

APPENDIX A

SCHEDULE OF FEES AND CHARGES

Summary of Fees and Charges- Policy 2

Allowed Overhead Distance per House	31 feet
Overhead Cost per Foot	
Sole Ownership	$56.01
Joint Ownership	$53.00
Allowed Underground Distance per House	41 feet
Underground Cost per Centerline Foot	$40.81*

*These costs do not include the tax liability for customer provided labor and material and for cash payments.

IV. Lighting Service Charge

Pursuant to the Company's Terms and Conditions, the Company may assess a Lighting Service Charge for Company services rendered in response to a Customer request in support of Customer equipment where the condition, service or connection is unrelated to the performance of facilities owned by the Company. A Lighting Service Charge of eighty-eight dollars and sixty-three cents ($88.63) per occurrence will be assessed to the Customer on a subsequent bill.

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE

I. GENERAL

1. Provisions

The following terms and conditions shall be a part of each Rate Schedule of Massachusetts Electric Company and Nantucket Electric Company (together the "Company") now or hereafter in effect except as they may be expressly modified by contract or a particular Rate Schedule or superseded by order or regulations of the Massachusetts Department of Public Utilities ("MDPU"). If there is a conflict between the orders or regulations of the MDPU and these Terms and Conditions, the orders or regulations of the MDPU shall govern. The headings used in these Terms and Conditions are for convenience only and shall not be construed to be part of, or otherwise to affect, these Terms and Conditions.

2. Definitions

"Aggregator" shall mean any "Aggregator" as defined in M.G.L. c. 164, §1.

"Basic Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Municipal Aggregation in accordance with the provisions set forth in the Company's Basic Service tariff, on file with the MDPU.

"Competitive Supplier" shall mean any entity licensed by the MDPU to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Basic Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Distribution Company" or "Company" shall mean Massachusetts Electric Company or Nantucket Electric Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"MDPU" shall mean the Massachusetts Department of Public Utilities.

"Municipal Aggregation" shall mean a program by which the electrical load of interested electricity consumers who are not otherwise served by an existing municipal lighting company is aggregated by a municipality or group of municipalities for the purpose of soliciting bids, brokering, and contracting for

electric power and energy services for such customers and approved by the M.D.P.U. pursuant to G.L. c. 164, § 134.

"Municipal Aggregator" shall mean an Aggregator that is comprised of a municipality or a group of municipalities, or duly authorized board or agency thereof, that is providing retail load aggregation pursuant to the M.G.L. c. 164, §134.

"Private Property" shall mean any real property owned by the Customer or any other person, partnership, corporation, governmental agency, or other entity, whether public or private, including, without limitation, real estate interests in private ways, streets, roads, driveways and access easements.

"Terms and Conditions" shall mean these Terms and Conditions for Distribution Service.

3. Other Provisions

If for any reason a Customer does not have a registered Competitive Supplier, the Company will provide Basic Service to the Customer.

II. DISTRIBUTION SERVICE

1. Rates and Tariffs

1A. Schedule of Rates

The Company furnishes its various services under tariffs and/or contracts ("Schedule of Rates") promulgated in accordance with the provisions of G.L. c. 164, and MDPU decisions, orders, and regulations. Such Schedule of Rates, which includes these Terms and Conditions, is available for public inspection during normal business hours at the business offices of the Company and at the offices of the MDPU.

1B. Amendments; Conflicts

The Schedule of Rates may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in G.L. c. 164, §§ 93, 94. When effective, all such revisions, amendments, supplements, or replacements will appropriately supersede the existing Schedule of Rates. If there is a conflict between the express terms of any Rate Schedule or contract approved by the MDPU and these Terms and Conditions, the express terms of the Rate Schedule or contract shall govern.

1C. Modification by Company

No agent or employee of the Company is authorized to modify any provision or rate contained in the Schedule of Rates or to bind the Company to perform in any manner contrary thereto. Any modification to the Schedule of Rates or any promise contrary thereto shall be in writing, duly executed by an authorized officer of the Company, subject in all cases to applicable statutes and to the orders and regulations of the MDPU, and available for public inspection during normal business hours at the business offices of the Company and at the offices of the MDPU.

1D. Selection of Correct Rate

The Company shall provide notice regarding its applicable rate schedules annually to all Customers. The Company shall advise each new residential Customer of the least expensive rate available for Distribution Service based on information in the Company's records. Each new non-residential Customer shall be advised of the least expensive rate for Distribution Service based on available information in the Company's existing records or as a result of a field inspection by the Company when the Customer provides information that is inconsistent with the Company's records. Upon receipt of adequate information concerning rates, selection of the rate is the responsibility of the Customer. Each Customer is responsible for accurately describing their electrical needs and equipment and updating the Company as changes occur. Each Customer is entitled to change from one applicable Distribution Service rate schedule to another upon written application to the Company. Any Customer who has changed from one Distribution Service rate to another may not change again within one (1) year or any longer period as specified in the tariff under which the Customer is receiving distribution service. A change in rate that is requested by the Customer will not necessarily produce a retroactive billing adjustment.

2. Obtaining Service from the Company

2A. Applying for Service

Application for Distribution, Basic, or any other service offered by the Company will be received through any agent or any duly authorized representative of the Company. By accepting Distribution Service from the Company pursuant to the terms of this tariff, a Customer expressly consents to the Company, or anyone working on the Company's behalf, contacting the Customer regarding issues related to Distribution Service and billing and payment, by any method including telephone, autodialed and prerecorded/artificial voice calls, email, text, and/or letter. By contacting the Company, a Customer may opt-out of receiving non-emergency communications through certain methods.

2B. Method of Application

The Company may accept oral application by a prospective Customer for residential service, except as noted in Section II.2C, below. All applicants must be of legal age or an emancipated minor to contract for service with the Company. The Company reserves the right to verify the identity of the Customer and the accuracy of the information provided. Landlord Customers are required to provide a contact telephone number and non-post office box contact mail address as a condition for service. Application for non-residential service may, at the Company's option, be in writing on forms provided by the Company and payment of a deposit shall be made if applicable and in accordance with 220 C.M.R. § 26.00. When a written application for non-residential service is required, such service shall not commence until the Company has received written application, except that service may temporarily be provided for an interim period not to exceed ten (10) working days pending the receipt of a duly executed written application for service. No agent or employee of the Company is authorized to modify orally any provisions of such written application or to bind the Company to any promise or representation contrary thereto except in writing by a duly authorized Company representative.

2C. Written Application

In the event that an oral application for service is received by the Company from an applicant not

currently a Customer of Record for a location where service is scheduled to be disconnected for non-payment or is currently disconnected for non-payment, the Company may request that application be made in writing to any agent or duly authorized representative of the Company as a precondition for service. The Company reserves the right to refuse service, at any location, to an applicant who is indebted to the Company for any service furnished to such applicant. However, the Company shall commence service if the applicant has agreed to a reasonable payment plan.

2D. Description of Service Offered

Upon receipt of an application from a prospective Customer setting forth the location of the premises to be served, the extent of the service to be required, and any other pertinent information requested by the Company, the Company will provide the information required pursuant to Section II.1D and will also advise the Customer of the type and character of the service it will furnish, of the applicable schedule under which service will be provided, of the point at which service will be delivered and, if requested, of the location of the Company's metering and related equipment.

2E. Term of Customer's Obligation to Company

Each Customer shall be liable for service taken until such time as the Customer requests termination of Distribution Service and, if a Customer is receiving metered service, a final meter reading is recorded by the Company. The bill rendered by the Company based on such final meter reading shall be payable upon receipt. In the event that a customer is receiving unmetered service from the Company, the final bill will be based on a proportion of the stated fixed charge. Such meter reading and final bill shall not be unduly delayed by the Company or the Customer may not be liable for payment of bills attributable to such undue delay. In the event that the Customer of Record hinders the Company's access to the meter or fails to give notice of termination of Distribution Service to the Company, the Customer of Record shall continue to be liable for service provided until the Company either disconnects the meter or a new party becomes a Customer of the Company at such service location. The Customer shall be liable for all costs incurred by the Company.

2F. Continuation of Service at Rental Property

On an annual basis, the Company shall notify each Customer that any owner of rental property within the Company's service territory may have service transferred automatically into the owner's name in the event that the Customer of record (tenant) moves out and a new Customer has not applied for Distribution Service. Otherwise, the automatic transfer of service will not occur unless a tenant moves out and the Company has a form signed by the owner or other written authorization on file. The signed form or other written authorization shall be effective without renewal until revoked by the owner. The Company may at its option terminate the service unless authorization from the owner has been received.

2G. Seasonal Residential Service (M.D.P.U. Approval Required)

Only the owner of the premises to be served may be the Customer of record unless the tenant provides a signed lease or other evidence demonstrating occupancy for at least a six-month period. Once accepted by the Company as Customer of record, the applicant shall assume all obligations set forth herein with respect to the service.

3. Security Deposits

3A. Non-Residential Accounts

Subject to law and the applicable regulations of the MDPU, security deposits may only be required from new non-residential accounts; or from non-residential accounts for service of a similar character, at any location, under any name, if this service has been properly terminated during the last eighteen months due to non-payment; or if a non-residential account has failed to pay during the same eighteen-month period at least two bills, not reasonably in dispute, within forty-five days from the date of receipt of each such bill. The maximum amount of any security deposit required shall not exceed the equivalent of two months' average use, or the use for any one month, whichever is greater. If actual use information is not available, the Company, with the aid of the Customer, shall estimate an average twelve months' consumption upon which to base the amount of the security deposit in accordance with 220 C.M.R. § 26.03.

3B. Termination of Service

The Company may terminate any non-residential Customer's Distribution Service if a security deposit authorized by Section II.3A, above, is not made in accordance with the provisions outlined in 220 C.M.R. § 26.08.

3C. Refund of Deposit; Interest

The security deposit, plus any accrued interest not previously credited to the account, shall be refunded without request if the Customer has paid all bills for use for any twenty-four month period from the date of deposit and without leaving such bills unpaid for more than forty-five days of their receipt. Interest will accrue on all deposits paid by check, cash, or money order and held over six months at a rate equivalent to the rate paid on a two-year United States Treasury note for the preceding calendar year, or as otherwise determined by 220 C.M.R. § 26.09.

4. Service Supplied

4A. Delivery Point and Metering Installation

The Company shall furnish and install, at locations it designates, one or more meters for the purpose of measuring the electricity delivered. The Company may at any time change any meter it installed. Except as specifically provided by a given rate, all rates in the Schedule of Rates are predicated on service to a Customer at a single Customer Delivery Point and metering installation. Where service is supplied to an account at more than one delivery point or metering installation, each single point of delivery or metering installation shall be considered to be a separate account for purposes of applying the Schedule of Rates, except (1) if a Customer is served through multiple Customer Delivery Points or metering installations for the Company's own convenience, or (2) if otherwise approved by the MDPU, or (3) if the Customer applies to the Company and the use is found to comply with the availability clauses in the Schedule of Rates.

Should a Customer or a Competitive Supplier request a new meter or request that a communication device be attached to the existing meter, the Company shall provide, install, test,

and maintain the meter or communication device. The requested meter or communication device must meet the Company's requirements. The Customer or Competitive Supplier shall bear the cost of providing and installing the meter or communication device. Upon installation, the meter or communication device shall become the property of the Company and will be maintained by the Company. The Company shall complete installation of the meter or communication device within thirty (30) days of receiving a written request from the Customer or Competitive Supplier. The Company shall bill the Customer or Competitive Supplier upon installation.

Notwithstanding the foregoing, an existing Customer account with totalized billing (single bill for multiple meters) in place as of September 30, 2024 may remain on totalized billing provided, however, the Company may, in its sole discretion, discontinue totalized billing if the Customer makes changes to existing service (including, without limitation, adding or removing services, ownership changes, rate class changes, changes in metering infrastructure), or otherwise fails to comply with any Company terms and conditions for service. Once discontinued, the account shall no longer be eligible for totalized billing. Note that a like-for-like meter replacement does not by itself trigger loss of totalization.

4B. Conditions for Customer Payment

The Company reserves the right to reject any application for Distribution Service if the amount or nature of the service applied for, or the distance of the premises to be served from existing suitable transmission or distribution facilities, or the difficulty of access thereto is such that the estimated income from the service applied for is insufficient to yield a reasonable return to the Company, unless such application is accompanied by a cash payment or a guarantee of a stipulated revenue for a definite period of time, or both, at the option of the Company, satisfactory to the Company in the exercise of reasonable judgment. The Company will provide a cost estimate for the requested service based on current policies for the line and service extension, as stated in Appendix B. A written cost estimate, sufficient to justify all expenses to be charged to the Customer, shall be provided to the Customer upon request.

4C. Unusual Load Characteristics

The Company may, in the exercise of reasonable judgment, refuse to supply service to loads having unusual characteristics that might adversely affect the quality of service supplied to other Customers, the public safety, or the safety of the Company's personnel. In lieu of such refusal, the Company may require a Customer to install any necessary operating and safety equipment in accordance with requirements and specifications of the Company provided such installation does not conflict with applicable electrical code, and Federal, State or Municipal law.

4D. Temporary Use

Where Distribution Service under the Schedule of Rates is to be used for temporary purposes only, the Customer may be required to pay the cost of installation and removal of equipment required to render service in addition to payments for electricity. Payment of such costs of installation and removal of equipment shall be required in advance of any construction by the Company. If any such installation presents unusual difficulties as to metering the service supplied, the Company may estimate consumption for purposes of applying the Schedule of Rates. Unless otherwise approved by the Company in writing, temporary service shall be defined as installations intended for removal within a period not to exceed twelve months.

4E. Power Factor

Except as may otherwise be provided in a specific rate, a Customer taking service is expected to maintain a power factor of not less than ninety percent (90%). The Company may require any Customer not satisfying this power factor requirement to furnish, install, and maintain, at no cost to the Company, such corrective equipment as the Company may deem necessary under the circumstances. Alternatively, the Company may elect to install such corrective equipment at the Customer's expense.

5. Billing and Metering

5A. Billing Period Defined

The basis of all charges is the billing period, which is defined as the time period between two consecutive regular monthly meter readings or estimates of such monthly meter readings. The standard billing period is thirty (30) days. In the event that a period between bills is less than twenty-six (26) days or more than thirty-six (36) days, billing will be prorated by the Company to reflect a thirty (30)-day billing period. Bills will be rendered once each billing period unless otherwise approved by the MDPU.

5B. Bills; Time of Payment

Unless otherwise specific, bills of the Company are payable upon receipt and may be paid at any business office of the Company or at any authorized collector or agent. Bills shall be deemed paid when valid payment is received at any of these identified payment locations. Bills shall be deemed rendered and other notices duly given when delivered personally to the Customer or three days following the date of mailing to the mailing address, or to the premises supplied, or the last known address of the Customer. The address and telephone number of the MDPU's Consumer Division shall appear on each residential bill rendered by the Company or the Competitive Supplier. Customer payment responsibilities with Competitive Suppliers shall be governed by the particular Customer/Competitive Supplier contract.

5C. Past Due Bills

Any bill rendered to a residential Customer on a monthly basis for which valid payment has not been received within either forty-five (45) days from the date rendered, or for a period of time greater than has elapsed between the rendering of such bill and the rendering of the most recent previous bill, whichever period is greater, shall be considered past due.

5D. Interest on Past Due Non-Residential Accounts

A Distribution Service or Basic Service bill rendered to a non-residential Customer on a monthly basis for which valid payment has not been received within twenty-five (25) days from the date rendered shall be considered past due and bear interest on any unpaid balance, including any outstanding interest charges. Such interest rate shall be at a rate no higher than the rate paid on two-year United States Treasury notes for the preceding twelve (12) months ending December 31 of any year, plus ten (10) percent, i.e. 1000 basis points, or as otherwise determined by 220 C.M.R. § 26.10. Such interest charge shall be paid from the date thereof until the date of

payment with the exception that any electric service bills rendered to the Federal Government, Commonwealth of Massachusetts, or any agency, city, town, county or political subdivision thereof shall not bear such interest charge until fifty-five (55) days shall have elapsed from the date of such bill.

5E. Billing for Generation Service

The Company shall provide a single bill, reflecting unbundled charges for electric service, to Customers who receive Basic Service.

The Company shall offer two billing service options to Customers receiving Generation Service from Competitive Suppliers: (1) Standard Complete Billing Service; and (2) Standard Pass-through Billing Service, as set forth in the Terms and Conditions for Competitive Suppliers, § 8 and also in the Terms and Conditions for Municipal Aggregators, § 8.

5F. Generation Source

The Company shall reasonably accommodate a change from Basic Service or Generation Service to a new Competitive Supplier in accordance with the Terms and Conditions for Competitive Suppliers and the Terms and Conditions for Municipal Aggregators, and shall accommodate a change to Basic Service in accordance with the tariffs on file and approved by the MDPU.

5G. Actual Meter Readings; Estimates

The Company shall make an actual meter reading at least every other billing period. At the request of a Customer's Competitive Supplier, the Company shall make an actual meter reading every billing period. If a meter is not scheduled to be read in a particular month, or if the Company is unable to read the meter when scheduled for any of the reasons set forth in 220 C.M.R. § 25.02, or if the meter for any reason fails to register the correct amount of electricity supplied or the correct demand of any Customer for a period of time, the Company shall make a reasonable estimate of the consumption of electricity during those months when the meter is not read, based on available data, and such estimated bills shall be payable as rendered.

5H. Optional Customer Meter Readings

Any Customer who would otherwise receive an estimated bill pursuant to Section II.5B, above, may elect to receive a bill based on a Customer meter reading by reading his/her meter on the date prescribed by the Company and calling the appropriate telephone number provided by the Company to report the reading. However, only Company readings are considered actual readings in accordance with 220 C.M.R. § 25.02.

5I. Access to Meters

A properly identified and authorized representative of the Company shall have the right to gain access at all reasonable times and intervals for the purpose of reading, installing, examining, testing, repairing, replacing, or removing the Company's meters, meter reading devices, wires, or other electrical equipment and appliances, or of discontinuing service, in accordance with the applicable General Laws, MDPU regulations, and Company policy in effect from time to time, and the Customer shall not prevent or hinder the Company's access.

5J. Diversion and Meter Tampering

If a Customer receives unmetered service as the result of any tampering with the meter or other Company equipment, the Company shall take appropriate corrective action including, but not limited to, making changes in the meter or other equipment and rebilling the Customer. The Customer may be held responsible to the Company for any use of electricity that occurs beyond the point of the meter installation.

5K. Returned Check Fee

The Company may assess a returned check fee pursuant to Section II.11 below, to any Customer whose check made payable or electronic payment to the Company is dishonored by any bank when presented for payment by the Company. Receipt of a check or payment instrument that is subsequently dishonored shall not be considered valid payment.

5L. Collection of Taxes

The Company shall collect all sales, excise, or other taxes imposed by governmental authorities with respect to the delivery of electricity or sale of electricity under Basic Service. The Customer shall be responsible for identifying and requesting any exemption from the collection of the tax by filing appropriate documentation with the Company.

6. Discontinuance of Service

6A. Grounds for Discontinuance

The Company may discontinue Distribution Service and/or remove its equipment from any Customer's premises if the Customer has provided the Company with materially incorrect information or fails to comply with the provisions of the Schedule of Rates or any supplementary or other agreement entered into with the Company, subject to any applicable billing and termination procedures of the MDPU. The Company may also discontinue Distribution Service and remove its equipment from the Customer's premises in case of violation of any applicable General Laws, local ordinances or bylaws, or government regulations. The Company may assess an Account Restoration Charge or Sheriff or Locksmith fee pursuant to Section II.11, below, upon such discontinuance of service. Payment of any Account Restoration Charge or Sheriff or Locksmith fee may be required as a precondition to restoration of service.

6B. Discontinuance for Unsafe Installation

The Company reserves the right to disconnect its Distribution Service at any time without notice, or to refuse to connect its service, if to its knowledge or in its judgment the Customer's installation is unsafe or defective or will become unsafe imminently. Distribution Service may not be resumed until the local wiring inspector approves the installation. The Company shall make a reasonable effort to notify each Customer prior to such discontinuance of Distribution Service, and in any event shall provide written notice to the Customer of the reason for discontinuance of service and the actions required for resumption of service.

6C. Customer Notice of Termination

The Customer shall be responsible for all charges for service furnished by the Company under the applicable rates as filed from time to time with the MDPU, from the time service is started until it is finally terminated. A Customer who gives at least three (3) business days' notice of termination will not be held responsible for charges for service furnished after the requested termination date unless, through fault or neglect of such Customer, the Company is unable to terminate the service, or the Customer is a landlord and the Company is required to comply with the billing and termination regulations of the MDPU.

7. Customer's Installation

7A. Permits

The Company shall make application within a reasonable time period for any necessary locations or street permits required by public authorities for the Company's lines, poles, and other apparatus. The Company shall make Distribution Service available within a reasonable time after such permits are granted. The applicant for Distribution Service shall obtain all other permits, inspections, reports, easements, and other necessary approvals and submit them in writing to the Company. The Company shall not be required to commence or continue service unless and until the Customer has complied with all valid requirements of any governmental authority and any Company requirement approved by the MDPU regarding the use of electricity on the premises (e.g., certificate, permit, license, or right-of-way). The subsequent termination of any valid regulatory or Company requirements for such Distribution Service shall terminate any contract then existing for such service without any liability on the Company for breach of such contract or failure to furnish Distribution Service.

7B. Notice of Equipment Changes

The Customer shall notify the Company in writing before making any significant change in the Customer's electrical equipment if the change could affect the capacity or other characteristics of the Company's facilities required to serve the Customer. The Customer shall be liable for any damage to the Company's facilities caused by any addition or change if made without prior notification to the Company. The Company shall provide annual information to its Customers on general types of additions or changes to the Customer's electrical equipment that could affect the capacity or other characteristics of the Company's facilities.

7C. Separate Service

The Company shall not be required to install a separate service or meter for a garage, barn, or other out-building if located such that the garage, barn, or other out-building may readily be supplied through a service and meter in the main premises.

7D. Standards for Interconnection

The Customer's installation shall conform to the requirements of the Company's Standards for Interconnection and/or such further requirements as the Company may promulgate from time to time, as appropriate and as approved by the MDPU. Copies of such requirements are available from the Company. If the Customer has apparatus for the generation of electricity, the wiring may not be configured to allow interconnection with the Company's service until forty-five (45)

days after the delivery of a notice of intent to interconnect without any objection being raised by the Company, or unless the Customer has obtained the Company's prior written consent in each case.

7E. Suitability of Equipment

All of the Customer's apparatus shall be suitable for operation with the service supplied by the Company. The Customer shall not use the service supplied for any purpose, or with any apparatus, that would cause a disturbance to any part of the Company's system sufficient to impair the service rendered by the Company to its other Customers.

7F. Distribution Service from Outside Service Territory

In accordance with St. 1997, c. 164, § 193 (G.L. c. 164, § 1B(a)), a Customer may not receive Distribution Service from an entity other than the Company with the exclusive obligation to serve within the Customer's service territory without, in each case, obtaining the prior written consent of the Company, and complying with all applicable safety and siting requirements.

8. Company's Installation

8A. Information and Requirements for Distribution Service

The Company shall furnish on request detailed information on the method and manner of making service connections. Such detailed information may include a copy of the Company's Specifications for Electrical Installations booklet, as may be amended from time to time, a description of the service available, connections necessary between the Company's facilities and the Customer's premises, location and access of service connection facilities and metering equipment, and Customer and Company responsibilities for installation of facilities.

The Customer shall wire to the point designated by the Company, at which point the Company will connect its facilities. For a service meeting Company requirements (which requirements are set forth on the Company's website at www.nationalgridus.connects), the Company may also permit this connection to be made by a licensed electrician in good standing with the authority having jurisdiction, as required by applicable law, and who is registered with the Company, provided, however, that the Company gives no warranty to the Customer, express or implied, as to the knowledge, training, reliability, honesty, fitness, or performance of any electrician registered with the Company for this purpose, and the Company shall not be liable for any damages or injuries caused by any electrician who may be used for such purpose.

8B. Interference with Company Property

All meters, services, and other electric equipment owned by the Company, regardless of location, shall be and will remain the property of the Company; and no one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain such property. The Customer shall not interfere with or alter the meter, seals, connection points, or other property used in connection with the rendering of service or permit the same to be done by any person other than the authorized agents or employees of the Company. The Customer shall be responsible for all damage to or loss of such property unless occasioned by circumstances beyond the Customer's control. Such property shall be installed at points most convenient for the

Company's access and service and in conformance with public regulations in force from time to time. The costs of relocating or removing such property shall be borne by the Customer when done at the Customer's request, for the Customer's convenience, or if necessary to remedy any violation of law or regulation caused by the Customer.

8C. Protection of Company's Equipment

The Customer shall furnish and maintain, at no cost to the Company, the necessary space, housing, fencing, barriers, and foundations for the protection of the equipment to be installed upon the Customer's premises, whether such equipment is furnished by the Customer or the Company. If the Customer refuses, the Company may at its option charge the Customer for furnishing and maintaining the necessary protection of the equipment. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to the Company's specifications and approval.

8D. Meter Accuracy

The Company shall maintain the accuracy of all metering equipment installed pursuant hereto by regular testing and calibration in accordance with recognized standards. A meter which does not vary more than 2 percent above or below the recognized comparative standard shall be considered accurate. After a thorough investigation by the Company, a Customer may ask the Company to test the accuracy of any of its metering equipment installed upon the Customer's premises. Any such test shall be conducted according to the standards as established in G.L. c. 164, § 120. Subsequent requests for testing the said meter shall be subject to individual review by the Company. The Company may, at its option, and with proper pre-notification to Customers assess a fee for any subsequent testing pursuant to G.L. c. 164, § 120. If the meter does not register accurately upon subsequent testing, the assessed fee will be returned to the Customer.

8E. Unauthorized Use or Unsafe Conditions

If the Company finds an unauthorized use or unsafe conditions of electricity, the Company may make such changes in its meters, appliances, or other equipment or take such other corrective action as may be appropriate to ensure only the authorized use of the equipment and the Company's installation, and also to ensure the safety of the general public. Upon finding an unauthorized use of electricity, the Company may terminate the service and assess reasonable estimated service charges as well as all costs incurred in correcting the condition. Nothing in this paragraph shall be deemed to constitute a waiver of any other rights of redress which may be available to the Company or the Customer, or to limit in any way any legal recourse which may be open to the Company including, without limitation, G.L. c. 164, § 127 and 127A.

8F. Underground Surcharge

In the event that a municipality within which the Company furnishes Distribution Service votes to adopt a bylaw or ordinance forbidding new installation of overhead transmission or distribution facilities or requiring removal of existing facilities, the Company may charge its Customers within such a municipality a differential in rates or a billing surcharge, as appropriate, in accordance with G.L. c. 166, §§ 22D, 22L, 22M and relevant Company policies approved by the MDPU.

9. Company Liability

9A. Unless there is negligence on the part of the Company, the Company shall not be liable for, or in any way in respect of, any interruption, abnormal voltage, discontinuance or reversal of its service, due to causes beyond its immediate control whether accident, labor difficulties, condition of fuel supply, the attitude of any public authority, or failure to receive any electricity for which in any manner contracted, or due to the operation in accordance with good utility practice of an emergency load reduction program by the Company or one with whom it has contracted for a supply of electricity, or inability for any other reason to maintain uninterrupted and continuous service; provided, however, that if the Company is unable for any of the causes enumerated above to supply electricity for a continuous period of two days or more, then upon request of the Customer, the demand charge, if any, shall be suspended for the duration of such inability.

9B. Unless there is negligence on the part of the Company, the Company shall not be liable for damage to the person or property of the Customer or any other persons resulting from the use of electricity or the presence of the Company's appliances and equipment on the Customer's premises. In any event, for non-residential Customers served under general service rates, the Company shall not be liable in contract, in tort (including negligence and Mass. G.L. c. 93A), strict liability or otherwise for any special, indirect, or consequential damages whatsoever including, but not limited to, loss of profits or revenue, loss of use of equipment, cost of capital, cost of temporary equipment, overtime, business interruption, spoilage of goods, claims of customers of the Customer or other economic harm.

10. Lighting Service Charge

Pursuant to Section II.11, the Company shall assess a Lighting Service Charge for Company services rendered in response to a Customer request in support of Customer equipment where the condition, service or connection is unrelated to the performance of facilities owned by the Company.

11. Schedule of Charges

The Company reserves the right to impose reasonable fees and charges pursuant to the various provisions of these Terms and Conditions. Said fees and charges shall be set forth in Appendix A to these Terms and Conditions, as on file with the MDPU.

12. Line Extension Policy

The Company's line extension policies are included in Appendix B.

13. Paperless Billing Credit

Customers may elect to receive and pay their bill electronically under the Company's Optional Telephone or Web Page Payment Provision. Such customers electing to receive their bills electronically will receive a paperless billing credit of $0.49 per account, per billing period.

MASSACHUSETTS ELECTRIC COMPANY
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TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE

APPENDIX B

POLICY 1

LINE EXTENSION POLICY FOR INDIVIDUAL RESIDENTIAL CUSTOMERS

The following policies are part of the Terms and Conditions of all rates, and compliance by the Customer is a condition precedent to the initial and continuing supply of electricity by Massachusetts Electric Company or Nantucket Electric Company (Company):

I. Applicability

1. General

When an individual residential customer ("Customer") requests that a distribution line be extended to serve the Customer's single family or duplex home the terms of this policy shall apply.

This policy provides for standard single phase residential service. Service above and beyond standard residential service may result in additional cost to the Customer. Additional information is contained in the Company's "Specifications for Electrical Installations" booklet as published by the Company from time to time and the Company's Terms and Conditions as filed with the Massachusetts Department of Public Utilities.

2. Temporary Service

This policy shall not apply to lines constructed for temporary service. Temporary service is defined in the Company's Terms and Conditions. The Company should be contacted regarding the cost and availability of temporary service.

3. Street Light Service

This policy shall not apply to street and area lighting service. All installations of the Company's street and area lighting equipment and distribution service to customer owned equipment will be made in accordance with the Company's street and area lighting tariffs approved by the Department of Public Utilities. The Company should be consulted regarding street light rates, costs, terms, and availability.

4. Seasonal Service

This policy shall not apply to lines constructed for seasonal service. The Company should be contacted regarding the cost and availability of seasonal service.

II. Construction of Facilities

1. Line Extension on Public Way and Private Property

1A. General

No distinction shall be made between line extensions on public ways or private property except where specifically noted.

1B. Overhead Line Extension

The Company shall be responsible for:

i. installing, owning and maintaining all poles, primary and secondary wires, transformers, service drops, meters, etc. that, in its opinion, are required to provide adequate service;

ii. designating the location of all Company owned equipment, excluding street lights, and the service entrance and meter location(s) at each house; and

iii. blasting and tree trimming and removal along public ways; the Company may charge the Customer the cost of such blasting and tree trimming and removal if, in the Company's opinion, such cost is excessive.

The Customer, at no cost to the Company, shall be responsible for:

i. blasting and tree trimming and removal on private property in accordance with the Company's specifications and subject to the Company's inspection.

1C. Underground Line Extension

If the Customer requests an underground primary distribution line on private property in lieu of the standard overhead line, the Company will give reasonable consideration to the request. If the Company believes that there are technical complications, safety issues, engineering concerns, or other reasonable concerns, regarding the feasibility and/or maintenance of an underground system in the given circumstances, the Company may decline to install, own or maintain the underground service.
The Company shall be responsible for:

i. supplying a list of approved manufacturers and their part numbers for equipment to be supplied by the Customer;

ii. designating the location of all Company owned equipment, excluding street lights, and the service entrance and meter location(s);

iii. providing Company owned street light foundations for the mounting of Company owned and Company installed street light equipment;

iv. providing, installing, owning and maintaining the transformer, Company owned street lights, meter and primary cable;

v. making all connections to Company equipment; and

vi. inspecting the underground conduit system and equipment foundations installed by the Customer, prior to backfilling.

The Customer, at no cost to the Company, shall be responsible for:

i. providing, prior to the start of the Company's construction, all applicable documents required for the Company to prepare easements for its facilities to be installed on private property;

ii. providing and installing all required foundations (except for Company owned street light foundations), handholes, manholes, grounding systems, secondary cable, and conduit including spacers, glue and pulling strings, etc. as indicated on the Company's plan and related construction documents;

iii. installing foundations, provided by the Company, for Company owned street lights;

iv. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed above; equipment that is not approved shall not be used without the prior written consent of the Company;

v. installing, owning, and maintaining all secondary services and service conduit from the Company's equipment to the designated meter location(s); and

vi. turning over ownership of the conduit system, excluding the service conduit, to the Company upon inspection and acceptance of the conduit system by the Company.

III. Customer Responsibilities

1. Easements

The Company will require the Customer to provide the Company with executed easements, drafted by the Company using the Company's form easement without modifications thereto, for all Company owned facilities located on private property. The Customer will provide these easements prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

2. Code Compliance

All construction must be in accordance with the Company's Construction Standards and the "Specifications for Electrical Installations" as published by the Company from time to time and shall comply with codes and requirements of legally constituted authorities having jurisdiction.

3. Environmental Permits

The Customer shall be responsible for obtaining any required environmental permits prior to the start of construction.

IV. Payment Required

1. Overhead Line Extension

1A. Overhead Cost per Foot

The "Overhead Cost Per Foot" will be a predetermined cost per foot calculated by the Company. The "Overhead Cost Per Foot" excludes the Company's applicable tax liability. This cost is located in Appendix A, Schedule of Fees and Charges, of the Company's Terms and Conditions. The Company may file to update this cost with the Department of Public Utilities should there be a significant change in the "Overhead Cost per Foot".

1B. Total Allowed Overhead Line Distance per House

The Company will provide a predetermined length of overhead distribution line, plus a service drop per house, free of charge ("Allowed Overhead Line Distance Per House"). The service drop is considered to be from the last pole to the house.

The "Allowed Overhead Line Distance Per House" will be a predetermined distance per home as stated in Appendix A, Schedule of Fees and Charges to the Company's Terms and Conditions.

1C. Overhead Installation Charge

If the total line distance required to serve the house is in excess of the "Allowed Overhead Line Distance Per House", there will be a charge to the Customer ("Overhead Installation Charge"). The "Overhead Installation Charge" will be equal to the "Overhead Cost Per Foot" times the number of feet in excess of the "Allowed Overhead Line Distance Per House".

2. Underground Line Extension

If the Company agrees to an underground primary distribution line, the Company will estimate the Company's cost of providing the underground primary distribution line to the house. The Customer will be required to pay an "Underground Installation Charge" equal to:

a) the Company's estimated cost of installing the underground line,

b) minus an amount equal to the cost of the "Allowed Overhead Line Distance Per House". If an overhead line extension is built in combination with an underground line extension, the credit for the "Allowed Overhead Line Distance" will only be applied once.

When the above results in a negative number, there shall be no "Underground Installation Charge".

In addition to the "Underground Installation Charge", the Company shall collect the full amount of the Company's tax liability for all cash payments, and material and labor supplied by the Customer.

3. Payment Terms

If the "Overhead/Underground Installation Charge" is less than $1,500, the Customer will be required to pay the entire amount before the start of the construction.

If the "Overhead/Underground Installation Charge" is $1,500 or greater, the Customer will have the option to either pay the entire amount before the start of the construction, or sign an agreement to pay the amount in 60 equal monthly payments, plus interest at the rate of interest applicable to the Company's customer deposit accounts at the time of execution of the payment agreement.

The Company reserves the right to place a lien on the property until such time that the obligation is fulfilled.

4. More Than One Customer

Where overhead service is requested by more than one Customer under this policy at the same time, for the same line, the "Overhead Installation Charge" will be apportioned among those Customers, based on the amount of line attributable to each Customer. The Company will determine the equitable apportioning of the total estimated construction costs between the Customers. (The calculation of the "Overhead Installation Charge" shall allow for a credit equal to "Allowed Overhead Line Distance Per House" for each Customer.)

5. Customer Added After Initial Construction

At the original Customer's request, if a new Customer (or group of Customers) is supplied service from facilities constructed under this policy, and if such service begins within five years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will require such new Customer (s) to make a prorated contribution to the payment of the initial "Overhead Installation Charge". Any contribution received from a new Customer(s) will be used to proportionately reduce the original Customer's "Overhead Installation Charge". The Company will determine the equitable apportioning of the total estimated construction costs between the Customers. However, no refunds will be paid in excess of the original Customer(s) "Overhead Installation Charge". In addition, a credit for the "Allowed Overhead Line Distance Per House" for each Customer will be applied.

6. Change of Customer

The Customer must agree, as a condition for the line extension monthly payments, that if the Customer sells, leases or otherwise transfers control and use of the home to another individual ("New Occupant"), and such "New Occupant" opens a new account with the Company, the Customer will obtain an agreement from the "New Occupant" to pay the remaining balance as prescribed in the agreement of the Overhead Installation Charge that would have been owed by the Customer at that location. Unless the "New Occupant" signs a new superseding payment agreement with the Company, the original Customer will remain personally liable for the balance owed.

V. Line Extension Agreement

The Company may require the Customer to sign an agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation to the Customer's home, provided that such terms are not inconsistent with the terms expressed in this policy.

The Company, at its sole discretion, may refuse the request for a line extension if appropriate permits and easements cannot be obtained or if applicable codes and standards cannot be met.

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TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE

APPENDIX B

POLICY 2

LINE EXTENSION POLICY FOR RESIDENTIAL DEVELOPMENTS

I. Applicability

1. General

When a developer, contractor, builder or other entity other than an individual residential customer ("Customer") proposing to construct individual homes or a residential development of single family or duplex homes, requests that distribution lines be constructed to serve the homes or development and no suitable distribution facilities exist, the terms of this policy shall apply. This policy applies to a Customer whenever it is building more than one single family or duplex home.

This policy provides for standard single phase residential service. Service above and beyond standard residential service may result in additional cost to the Customer. Additional information is contained in the Company's "Specifications for Electrical Installations" booklet as published by the Company from time to time and the Company's Terms and Conditions as filed with the Massachusetts Department of Public Utilities.

2. Temporary Service

This policy shall not apply to lines constructed for temporary service. Temporary service is defined in the Company's Terms and Conditions. The Company should be contacted regarding the cost and availability of temporary service.

3. Street Light Service

This policy shall not apply to street and area lighting service. All installations of the Company's street and area lighting equipment and distribution service to customer owned equipment will be made in accordance with the Company's street and area lighting tariffs approved by the Department of Public Utilities. The Company should be consulted regarding street light rates, costs, terms, and availability.

II. Construction of Facilities

1. Line Extension on Public Way and Private Property

1A. General

No distinction shall be made between line extensions on public ways or private property except where specifically noted.

1B. Overhead Line Extension

The Company shall be responsible for:

i. installing, owning and maintaining all poles, primary and secondary wires, transformers, service drops, meters, etc. that, in its opinion, are required to provide adequate service;

ii. designating the location of all Company owned equipment, excluding street lights, and the service entrance and meter location(s) at each house; and

iii. blasting and tree trimming and removal along public ways; the Company may charge the Customer the cost of such blasting and tree trimming and removal if in the Company's opinion such cost is excessive.

The Customer, at no cost to the Company, shall be responsible for:

i. blasting and tree trimming and removal on private property, including roadways not accepted as public ways by the municipality, in accordance with the Company's specifications and subject to the Company's inspection.

The Company may, at its discretion, construct the distribution line in segments, rather than all at once in the proposed development.

1C. Underground Line Extension

The Company shall be responsible for:

i. developing the plan to provide underground electric service;

ii. supplying a list of approved manufacturers and their part numbers for equipment to be supplied by the Customer;

iii. designating the location of all Company owned equipment, excluding street lights, and the service entrance and meter location(s);

iv. providing Company owned street light foundations for the mounting of Company owned and Company installed street light equipment;

v. providing, installing, owning and maintaining all transformers, Company owned street lights, primary and secondary cable, except services;

vi. making all connections to Company equipment; and

vii. inspecting the underground conduit system and equipment foundations installed by the Customer, prior to backfilling.

The Customer, at no cost to the Company, shall be responsible for:

i. providing, prior to the start of the Company's construction, all applicable documents required for the Company to prepare easements for its facilities to be installed on private property;

ii. providing and installing all required foundations (except for Company owned street light foundations), handholes, manholes, grounding systems, and conduit including spacers, glue and pulling strings, etc. as indicated on the Company's plan and related construction documents;

iii. installing foundations, provided by the Company, for Company owned street lights;

iv. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed above; equipment that is not approved shall not be used without the prior written consent of the Company;

v. installing, owning, and maintaining all secondary services and service conduit from the Company's equipment to each designated meter location; and

vi. turning over ownership of the conduit system, excluding the service conduit, to the Company upon inspection and acceptance of the conduit system by the Company.

The Company may, at its discretion, construct the distribution line in segments, rather than all at once in the proposed development.

III. Customer Responsibilities

1. Easements

The Company will require the Customer to provide the Company with executed easements, drafted by the Company using the Company's form easement without modifications thereto, for all Company owned facilities located on private property. The Customer will provide these easements prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossing at the Customer's expense.

2. Code Compliance

All construction must be in accordance with the Company's Construction Standards and the "Specifications for Electrical Installations" as published by the Company from time to time and shall comply with codes and requirements of legally constituted authorities having jurisdiction.

3. Environmental Permits

The Customer shall be responsible for obtaining any required environmental permits prior to the start of construction.

4. Plans and Other Documents

The total number of house lots proposed to be constructed will be provided in advance to the Company by the Customer, along with a complete copy of the subdivision plans approved by the planning board in the municipality, if such is required by the municipality. The Company need not begin design work prior to receipt of the approved plans.

The Company may require the Customer to provide, in advance and at no cost to the Company, the following:

i. a copy of the approval of the planning board for the subdivision;

ii. a copy of all permits and approvals that have been obtained for constructing the development;

iii. all applicable documents required for the Company to ensure that the Customer is providing all necessary easements for the location of its facilities to be installed on private property in accordance with Section III.1 of this policy;

iv. the name and address of the financial institution providing financing for the development, including a contact person and phone number;

v. a copy of a street light proposal for the development, approved by the municipality, or written notice from the municipality that street lighting will not be required; if installation is requested after construction is complete, additional costs, including the Company's tax liabilities, may be borne by the municipality and/or Customer if the tariff does not collect all costs of construction;

vi. a schedule of Customer's best estimate for the construction of homes in the development; and

vii. such other reasonable information that may be requested to confirm the viability of the development.

IV. Payment Required

1. Overhead Installation Charge

1A. Definition of Centerline Feet

For developments approved under the subdivision control law, G.L. c. 41, § 81K et al, the centerline foot as defined in the subdivision plan for all roadways within the development, shall be included in the calculation of the centerline feet.

For developments not approved under the subdivision control law, the centerline feet will be defined as the total distance of construction required, excluding service drops.

1B. Overhead Cost per Centerline Foot

The "Overhead Cost Per Centerline Foot" will be a predetermined cost per centerline foot calculated by the Company. The "Overhead Cost Per Centerline Foot" excludes the Company's applicable tax liability. This cost is located in Appendix A, Schedule of Fees and Charges, to the Company's Terms and Conditions. The Company may file to update this cost with the Department of Public Utilities should there be a significant change in the "Overhead Cost per Centerline Foot".

The "Overhead Cost Per Centerline Foot" assumes that service points are in close proximity to roadways. When this is not the case, when more than one span of wire is required to reach the service point from the roadway, the Company reserves the right to require the Customer to pay any excess costs to reach the service point.

1C. Total Allowed Overhead Distance

The Company will provide a predetermined length of centerline feet per house lot free of charge ("Allowed Overhead Distance Per House").

The "Total Allowed Overhead Distance" for the development is equal to the number of house lots times the "Allowed Overhead Distance Per House".

The predetermined "Allowed Overhead Distance Per House" can be located in Appendix A, Schedule of Fees and Charges to the Company's Terms and Conditions.

1D. Overhead Installation Charge

If the total centerline feet within the development is greater than the "Total Allowed Overhead Distance", then there will be a charge to the Customer ("Overhead Installation Charge").

The "Overhead Installation Charge" will be equal to the "Overhead Cost Per Centerline Foot" times the number of centerline feet in excess of the "Total Allowed Overhead Distance".

The "Overhead Installation Charge" shall be paid by the Customer in advance of the Company's construction.

The "Overhead Installation Charge" is non-refundable if the line is built.

2. Underground Installation Charge

2A. Definition of Centerline Feet

For developments approved under the subdivision control law, G.L. c. 41, § 81K et al, the centerline foot as defined in the subdivision plan for all roadways within the development, shall be included in the calculation of the centerline feet.

For developments not approved under the subdivision control law, the centerline feet will be defined as the total distance of construction required.

2B. Underground Cost per Centerline Foot

The "Underground Cost Per Centerline Foot" will be a predetermined cost per centerline foot calculated by the Company. This cost is located in Appendix A, Schedule of Fees and Charges, to the Company's Terms and Conditions. The Company may file to update this cost with the Department of Public Utilities should there be a significant change in the "Underground Cost per Centerline Foot".

The "Underground Cost Per Centerline Foot" includes the Company's applicable tax liability. The applicable tax liability excludes the tax liability on material and labor supplied by the Customer. The "Underground Cost Per Centerline Foot" is calculated assuming all Company facilities terminate within 10 feet of the roadway.

2C. Total Allowed Underground Distance

The Company will provide a predetermined length of centerline feet per house lot free of charge ("Allowed Underground Distance Per House").

The "Total Allowed Underground Distance" for the development is equal to the number of house lots times the "Allowed Underground Distance Per House".

The predetermined "Allowed Underground Distance Per House" can be located in Appendix A, Schedule of Fees and Charges to the Company's Terms and Conditions.

2D. Underground Installation Charge

If the total centerline feet within the development is greater than the "Total Allowed Underground Distance", then there will be a charge to the Customer ("Underground Installation Charge").

The "Underground Installation Charge" will be equal to the "Underground Cost Per Centerline Foot" times the number of centerline feet in excess of the "Total Allowed Underground Distance".

The "Underground Installation Charge" shall be paid by the Customer in advance of the Company's construction.

The "Underground Installation Charge" is non-refundable if the line is built.

3. Additional Advance Payments

The Company may, at its discretion, collect the full cost of construction, including the cost of the "Total Allowed Overhead Distance" or the "Total Allowed Underground Distance". At the request of the Customer, the cost of either the "Total Allowed Overhead Distance" or the "Total Allowed Underground Distance" will be returned, without interest, upon completion of 50% of the homes. No money will be returned after 5 years from the date of payment.

If the development is approved under the subdivision control law and there is a cost for construction outside of the limits of the development, the Company may charge the Customer this additional cost, including the Company's tax liabilities.

V. Line Extension Agreement

The Company may require the Customer to sign an agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation to the Customer's homes or residential development, provided that such terms are not inconsistent with the terms expressed in this policy.

The Company, at its sole discretion, may refuse the request for a line extension if appropriate permits and easements cannot be obtained or if applicable codes and standards cannot be met.

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TERMS AND CONDITIONS FOR DISTRIBUTION SERVICE

APPENDIX B

POLICY 3

LINE EXTENSION POLICY FOR COMMERCIAL AND INDUSTRIAL CUSTOMERS

I. Applicability

1. General

When a commercial or industrial Customer requests service for new or increased load, or when a developer, contractor, builder, governmental agency or other entity ("Customer") proposes to construct a commercial or industrial development and no suitable distribution facilities exist, the terms of this policy shall apply. For the purposes of this policy, commercial or industrial customers shall include condominiums, apartments or mobile home complexes. The terms of this policy shall also apply to an individual residential Customer whose upgrade of the existing main switch to his/her premises will, in the Company's opinion, require the Company to upgrade its distribution line or associated equipment.

Additional information is contained in the Company's "Specifications for Electrical Installations" booklet as published by the Company from time to time and the Company's Terms and Conditions as filed with the Massachusetts Department of Public Utilities.

2. Temporary Service

This policy shall not apply to lines constructed for temporary service. Temporary service is defined in the Company's Terms and Conditions. The Company should be contacted regarding the cost and availability of temporary service.

3. Street Light Service

This policy shall not apply to street and area lighting service. All installations of the Company's street and area lighting equipment and distribution service to customer owned equipment will be made in accordance with the Company's street and area lighting tariffs approved by the Department of Public Utilities. The Company should be consulted regarding street light rates, costs, terms, and availability.

II. Construction of Facilities

1. Line Extension on Public Way and Private Property

1A. General

No distinction shall be made between line extensions on public ways or private property except where specifically noted.

1B. Overhead Line Extension

When overhead service is requested, the Company shall be responsible for:

i. installing, owning and maintaining all poles, primary and secondary wires, transformers, service drops, meters, etc. that, in its opinion, are required to provide adequate service;

ii. designating the location of all Company owned equipment, excluding street lights, and the service entrance and meter location(s);

iii. blasting and tree trimming and removal along public ways; the Company may charge the Customer the cost of such blasting and tree trimming and removal if, in the Company's opinion, such cost is excessive.

The Customer, at no cost to the Company, shall be responsible for:

i. blasting and tree trimming and removal on private property, including roadways not accepted as public ways by the municipality, in accordance with the Company's specifications and subject to the Company's inspection

The Company may, at its discretion, construct the distribution line in segments, rather than all at once in the proposed development.

1C. Underground Line Extension

When underground service is requested, the Company shall be responsible for:

i. developing the plan to provide underground electric service;

ii. supplying a list of approved manufacturers and their part numbers for equipment to be supplied by the Customer;

iii. designating the location of all Company owned equipment, excluding street lights, and the service entrance and meter location(s);

iv. providing Company owned street light foundations for the mounting of Company owned and Company installed street light equipment;

v. providing, installing, owning and maintaining all transformers, primary cable, related primary equipment, Company owned street lights, and meters;

vi. making all connections to Company equipment; and

vii. inspecting the underground conduit system and equipment foundations installed by the Customer, prior to backfilling.

The Customer, at no cost to the Company, shall be responsible for:

i. providing, prior to the start of the Company's construction, all applicable supporting documents required for the Company to ensure all easements for its facilities to be installed on private property are being obtain and provided by the Customer in accordance with Section III.1 of this policy;

ii. providing and installing all required foundations (except for Company owned street light foundations), handholes, manholes, grounding systems, secondary cable, and conduit including spacers, glue and pulling strings, etc. as indicated on the Company's plan and related construction documents;

iii. installing foundations, provided by the Company, for Company owned street lights;

iv. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed above; equipment that is not approved shall not be used without the prior written consent of the Company;

v. retaining ownership of transformer foundations and grounding systems, and all secondary cables and conduit on private property, excluding Company owned street lighting; and

vi. turning over ownership of the conduit system, excluding the secondary conduit, to the Company upon inspection and acceptance of the conduit system by the Company.

The Company may, at its discretion, construct the distribution line in segments, rather than all at once in the proposed development.

III. Customer Responsibilities

1. Easements

The Company will require the Customer to provide the Company with executed easements, drafted by the Company using the Company's form easement without modifications thereto, for all Company owned facilities located on private property. The Customer will provide these easements prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

2. Code Compliance

All construction must be in accordance with the Company's Construction Standards and the "Specifications for Electrical Installations" as published by the Company from time to time and shall comply with codes and requirements of legally constituted authorities having jurisdiction.

3. Environmental Permits

The Customer shall be responsible for obtaining any required environmental permits prior to the start of construction.

4. Plans and Documentation

The Company may require the Customer to provide, in advance of engineering design and at no cost to the Company, the following:

i. a complete copy of construction plans including the subdivision plans approved by the planning board in the municipality, if such is required by the municipality;

ii. the estimated new or additional electrical loads, as far as is known by the Customer; or the names and estimated loads of proposed tenants or buyers for each building or the proposed type of occupant, as far as is known by the Customer; barring a known occupant, the Customer's best estimates of the likely load of each proposed building;

iii. all applicable documents required for the Company to ensure that the Customer is providing all necessary easements for the location of its facilities to be installed on private property in accordance with Section III.1 of this policy;

iv. a copy of the approval of the planning board for the subdivision, if such is required;

v. a copy of all permits and approvals that have been obtained for construction;

vi. the name and address of the financial institution providing financing for the Customer, including a contact person and phone number;

vii a copy of a street light proposal for the development, approved by the municipality, or written notice from the municipality that street lighting will not be required. If installation is requested after construction is complete, additional cost may be borne by the municipality and/or Customer if the appropriate tariff does not collect all costs of construction;

viii. a schedule of the Customer's best estimate for construction; and

ix. such other reasonable information that may be requested.

IV. Payment Required

1. Construction Advance

The Company will determine facilities required to meet the distribution service requirements of the Customer. Facilities in excess of those required to meet the distribution service requirements of the Customer are outside the scope of this policy and may entail additional payments from the Customer.

In accordance with the Formula below (the "Formula"), the Company shall determine whether a payment, by the Customer, of a Construction Advance shall be required. The Construction Advance shall be paid in full prior to the start of any construction.

$$\textit{Construction Advance (A)} = C - [(D * M) \div k]$$

where:

A= the Construction Advance paid to the Company by the Customer.

C= the total estimated cost of construction for facilities required exclusively to meet the distribution service requirement of the Customer. This cost includes capital and non-capital costs and the Company's liability for tax required on the value of material and labor provided by the Customer. Where these new or upgraded facilities are not solely to provide service to the Customer, the Company shall appropriately apportion these costs.

D= for a single customer, the estimated additional annual Distribution Revenue derived from the Customer within the first year following the completion of the Company's construction of facilities; or for developments, the estimated additional annual Distribution Revenue derived from those new customers in the development anticipated to be supplied directly with electric service within one year from the commencement of delivery of electricity to the first customer in the development.

k= the annual carrying charge factor, expressed as a decimal.

M= 0.5, revenue apportionment factor.

Where the calculation of "A" results in a positive number, a construction advance in the amount of "A" shall be required from the Customer. Where the calculation of "A" results in a negative number, "A" shall be considered to be zero. When the calculation of "A" results in a construction advance of $500 or less, the payment of the construction advance will be waived.

The Company shall exercise good faith in making each estimate and determination required above.

Any revenues from Basic Service shall be excluded from this calculation.

The Construction Advance in the formula shall be further adjusted to include a charge for additional tax liabilities incurred by the Company on the Construction Advance received from the Customer. This additional tax liability shall be paid in full by the customer prior to the start of construction.

2. Refund

Whenever the Company collects a Construction Advance from the Customer, the Customer has the option to request the Company to perform a one-time recalculation of the Construction Advance payment using actual construction costs and actual distribution revenue to determine if a refund of all or a

portion of the original payment is warranted. The request for the one-time review may be made at any time between twelve and thirty-six months after commencement of delivery of electricity.

To determine the refund the Construction Formula shall be modified as follows:

C= the actual cost of construction. If the actual cost of construction exceeds the estimate, then the estimated cost of construction shall be used. This cost includes capital and non-capital costs and the Company's liability for tax required on the value of material and labor provided by the Customer. Where these new or upgraded facilities are not solely to provide service to the Customer, the Company shall appropriately apportion these costs.

D = the actual additional annual distribution revenue for the most recent twelve months.

k = the annual carrying charge factor, expressed as a decimal.

M = 0.5, revenue apportionment factor.

If a lower or negative "A" results from applying the Formula as so modified, and if, in the Company's opinion, a risk does not exist regarding either a future reduction in the level of the Customer's usage or the collectability of the Customer's account, then the Company shall refund a portion of, or the entire calculated Construction Advance or the full cost of construction, without interest. In no case shall the amount refunded exceed the original construction advance "A"; nor shall the review result in additional payments from the customer.

If a refund is made, the Company will refund the appropriate portion of any tax liability at the current rate.

3. Additional Payment

When in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required construction advance. If construction is not undertaken, the Company will refund any balance not spent. If no Construction Advance is required, the entire Additional Advance Payment will be refunded.

V. Line Extension Agreement

The Company may require the Customer to sign an agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, provided that such terms are not inconsistent with the terms expressed in this policy.

The Company, at its sole discretion, may refuse the request for a line extension if appropriate permits and easements cannot be obtained or if applicable codes and standards cannot be met.