

NANTUCKET ELECTRIC COMPANY

RESIDENTIAL-LOW INCOME R-2
RETAIL DELIVERY SERVICE

AVAILABILITY

Service under this rate is available upon verification of a low-income Customer's receipt of any means-tested public benefit, or verification of eligibility for the low-income home energy assistance program, or its successor program, for which eligibility does not exceed 200 percent of the federal poverty level ("FPL") based on a household's gross income. In a program year in which maximum eligibility for LIHEAP exceeds 200 percent of the federal poverty level, a household that is income eligible under LIHEAP shall be eligible for the low-income electric discount.

It is the responsibility of the Customer to annually certify, by forms provided by the utility, the continued compliance with the foregoing qualifications.

The Company will guarantee the Customer's payment to its designated supplier up to the prices that the Company charges to Customers for Basic Service in accordance with regulations established by the Department.

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.

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.

MINIMUM CHARGE

The monthly minimum charge shall be the monthly Customer Charge.

HEAT PUMP RATE

All customers who qualify for Residential Low-Income R-2 Retail Delivery Service ("Rate R-2") and have a device that is used to heat or supplement another heat source 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-2 Heat Pump Rate. Under the R-2 Heat Pump Rate, customers will be charged the R-2 Heat Pump Base Distribution Charge based on their kWh usage during the winter heating season, defined as November 1 through April 30. Service under the R-2 Heat Pump Rate will be contingent on the customer confirming an eligible device as described above is 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-2 Heat Pump 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-2 Heat Pump Rate will be available to qualifying Rate R-2 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-2 Heat Pump Rate is otherwise terminated by the Department.

Customers selecting the R-2 Heat Pump Rate may choose to return to the default rate under Rate R-2 after 12 billing cycles. Customers returning to the default rate under Rate R-2 from the R-2 Heat Pump Rate must remain on the default rate under Rate R-2 for 12 billing cycles before being eligible to select the R-2 Heat Pump Rate again.

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Customers who previously applied for a heat pump rebate through one of Company's or Boston Gas Company d/b/a National Grid's (together, "National Grid") energy efficiency programs (approved by the Department under the National Grid Three-Year Energy Efficiency Plans and pursuant to the Green Communities Act) will be automatically enrolled in the R-2 Heat Pump Rate. Additionally, on a roll-forward basis, any new customers who apply for a heat pump rebate through National Grid's energy efficiency programs after the billing rate is established will be auto-enrolled in the R-2 Heat Pump Rate. Customers who are auto-enrolled in the R-2 Heat Pump Rate will have the option to opt-out, if desired.

All other customers will need to apply for the R-2 Heat Pump Rate through the Company's contact center via inbound calling or through self-service application via the Company's website and mobile application portals. Any intake and enrollment will be subject to providing verification information as part of the application for the R-2 Heat Pump Rate. 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-2 Heat Pump Rate until verification information from the customer is confirmed.

RATE ADJUSTMENT PROVISIONS

The charges for delivery service under this rate shall be subject to adjustments 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

TRANSMISSION SERVICE COST ADJUSTMENT

Transmission service is available to all retail customers taking service under this rate. For those customers, 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.

LOW INCOME DISCOUNT

The Customer's total bill for service as determined based upon the provisions above, in addition to charges for generation service billed under the Standard Complete Billing Service option pursuant to §8B of both the Company's Terms and Conditions for Competitive Suppliers and Terms and Conditions for Municipal Aggregators in effect from time to time, will be discounted by the appropriate percentage based on the Customer's household income relative to the FPL and the state median income. The low income discount tiers are presented in the Company's Residential Assistance Adjustment Provision, which may change from time to time.

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.