

FERC ELECTRIC TARIFF

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NANTUCKET ELECTRIC COMPANY

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NANTUCKET ELECTRIC COMPANY

WHOLESALE DISTRIBUTION SERVICE

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SCHEDULE I - GENERAL TERMS AND CONDITIONS

A. Definitions

The following definitions shall apply in Schedules I, II, and III of this tariff and any Service Agreement under this tariff:

- (1) “Application” shall mean a request by a Customer for Wholesale Distribution Service pursuant to the provisions of this Tariff No. 1.
- (2) “Billing Period” means the time period between two consecutive regular monthly meter readings or estimates of such monthly meter readings.
- (3) “Charging Energy” shall mean the energy that is stored or consumed by a Charging Load.
- (4) “Charging Load” shall mean ESS loads which are an unavoidable component of the charge/discharge process and the safe and secure operation of the ESS facility (*e.g.*, safety and security, IT, and lighting), as specifically defined in the Company’s technical standards.
- (5) “Company” shall mean Nantucket Electric Company, d/b/a National Grid.
- (6) “Customer” shall mean the owner of an Energy Storage System connected to the Company’s distribution system who charges that resource via deliveries over the Company’s distribution system for purposes of making wholesale sales through the wholesale markets administered by ISO-NE New England Inc. (“ISO-NE”) and who is a party to a Service Agreement for service under this tariff.

- (7) “Distributed Energy Resource Management System” (“DERMS”) shall mean a dynamic control system operated and controlled by the Company that provides a signal to allow charging and discharging of an Energy Storage System.
- (8) “Distribution System” shall mean the facilities owned or supported by the Nantucket Electric Company that do not constitute Pool Transmission Facilities or Non-Pool Transmission Facilities under the ISO-NE Tariff and are used to provide electric service to end-use customers.
- (9) “DPU” shall mean the Massachusetts Department of Public Utilities.
- (10) “Energy Storage System” (“ESS”) shall mean a commercially available technology that is capable of absorbing electricity, storing it for a period of time, and thereafter dispatching the electricity.
- (11) “FERC” shall mean the Federal Energy Regulatory Commission.
- (12) “General Terms and Conditions” shall mean those terms and conditions set forth in Schedule I of this tariff.
- (13) “Good Utility Practice” shall mean any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all

acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

- (14) “Interconnection Service Agreement” shall mean the agreement entered into between the Customer and the Company, providing for parallel operation of the Customer’s facility with the Company’s electric power system pursuant to the Company’s Standards for Interconnection of Distributed Generation (M.D.P.U. No. 1468) under the jurisdiction of the Massachusetts Department of Public Utilities.
- (15) “ISO-NE” shall mean ISO New England Inc.
- (16) “ISO-NE Tariff” shall mean the ISO New England Inc. Transmission, Markets, and Services Tariff or any successor ISO-NE tariff.
- (17) “Operating Agreement” shall mean the Special Operating Requirements attached to the Customer’s Interconnection Service Agreement, which identify the allocated ESS planning capacity and any applicable limitations on time and quantity of charging and discharging of the ESS facility.
- (18) “Point of Common Coupling” (“PCC”) shall mean the point where the Customer’s local electric power system connects to the Company’s distribution system.
- (19) “Standalone ESS” shall mean a separately metered Customer ESS facility at which the only sources of electrical load are the Charging Load associated with the ESS technology and/or any ESS Station Service, and which is not co-located behind the same PCC with any generation or any other customer loads that are electrically capable of being served by the ESS.

- (20) “Station Service” shall mean the electric energy used to directly support the operation of the ESS excluding Charging Load and including only loads defined as Station Service in the Company’s technical standards.
- (21) “Wholesale Distribution Service” shall mean the delivery of electric energy over the Company’s distribution facilities, in accordance with the rates, terms, and conditions specified in this Tariff No. 1 and the Service Agreement with the Customer.
- (22) “Wholesale Distribution Service Agreement” shall mean the agreement in the form of Attachment 1 hereto which has been entered into by the Company and the Customer or any variations from that pro forma agreement accepted by the FERC.

B. Availability

Wholesale Distribution Service under the rates, terms, and conditions of this Tariff No. 1 is available for the charging of Standalone ESS facilities which are registered to participate in ISO-NE wholesale markets and which are registered as an Energy Storage Facility (“ESF”) under the ISO-NE Tariff. Service under this Tariff No. 1 is available only for qualified facilities at which Charging Load is metered separately from any other load.

The Company shall provide further details on the definitions of Charging Load and Station Service in its technical standards. The more detailed definition of Station Service shall include specifically enumerated categories of energy usage that may be utilized in support of Standalone ESS facilities. The more detailed definition of Charging Load provided in technical standards shall also contain a threshold, expressed in maximum kW of load and/or maximum annual kWh, beneath which loads that would otherwise be considered Station Service may be considered Charging Load. The

Company reserves the right to update these more detailed definitions in its technical standards at any time. In the event of a change in technical standards, a facility that has already commenced operation under a single-meter arrangement may continue to qualify its loads as Charging Load and Station Service based on the definitions of such terms in place at the point when the facility commenced operation.

ESS facilities may also discharge stored Charging Energy purchased under Wholesale Distribution Service to serve qualified Station Service loads, as defined in the Company's technical standards and associated with Standalone facilities, if such loads are located behind the same PCC as the ESS facility. Any energy for Station Service that is procured directly from the Company's distribution system (i.e., not served through energy discharged from the ESS) will be billed at the applicable retail rate. Use of Charging Energy for Station Service is contingent upon Station Service enrolling in a retail rate that is fully volumetric (i.e., billed based on kWh), otherwise the Company reserves the right to bill all Station Service energy at the retail rate.

Customer facilities with any end use loads not qualified as Charging Load or Station Service which are electrically capable of being served by the ESS shall not be eligible for service under this Tariff. Storage co-located with generation behind the same PCC shall not be eligible for service under this Tariff. Electric vehicle charging of any kind is not eligible for service under this Tariff.

A new or existing Customer may receive service under this Tariff No. 1 at its request if the Customer demonstrates that they meet the criteria described in this section, and in accordance with the Company's Terms and Conditions for Wholesale Distribution Service. A new customer seeking to receive service under this Tariff No. 1 must

demonstrate alignment with the above criteria prior to receiving permission to operate, with the exception of demonstrating registration as an ESF with ISO-NE, which may be demonstrated up to 60 days after commencing service; otherwise such customer will be enrolled in the applicable retail rate until eligibility for Wholesale Distribution Service is demonstrated.

(1) General Conditions

The delivery of service and the rendering of bills under the rates set forth in this Tariff No. 1 are contingent upon the installation of the necessary time-of-use metering equipment by the Company.

All Customers served under this Tariff No. 1 must elect to take their total electric delivery service under the time-of-use metering installation as approved by the Company. If delivery is through more than one meter, the Monthly Charge for service through each meter shall be computed separately under this rate, except at the Company's option.

(2) Applicable Rates

Customers receiving Wholesale Distribution Service under this Tariff No. 1 shall be charged the rates contained in Schedule II.

C. Obligations of the Customer

Subject to the terms and conditions of this Tariff No. 1, the Company will provide Wholesale Distribution Service to any Customer, provided that (i) the Customer owns an ESS that is connected to the Company's Distribution System and meets the availability criteria described above; (ii) the Customer meets the creditworthiness criteria set forth in Section H; (iii) the Customer agrees to pay for any facilities constructed and chargeable to such Customer under an Interconnection Service Agreement; and (iv) the Customer executes a Wholesale Distribution Service Agreement pursuant to Attachment 1 for service under this Tariff No. 1 or requests in

writing that the Company file a proposed unexecuted Wholesale Distribution Service Agreement with FERC.

D. Equipment

The Company shall provide, install, maintain, and own any and all equipment necessary for the delivery of service under this Tariff No. 1 to the extent such equipment is located within the Company's service territory and with the exception of customer-owned equipment that may be otherwise required by state tariffs or Company technical standards.

E. Billing and Payment

Bills will be rendered once each billing period. The relevant billing and payment provisions approved by the DPU in the Company's Terms and Conditions for Distribution Service (M.D.P.U. No. 1412) are applicable with respect to payment matters, including timing of payment, treatment of past due bills, corrective action in response to tampered metering equipment, and the Company's right of access to meters. Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Company.

In the event the Customer fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Company notifies the Customer to cure such failure, a default by the Customer shall be deemed to exist. Upon the occurrence of a default, the Company may initiate a proceeding with FERC to terminate service but shall not terminate service until FERC so approves any such request.

In the event of a billing dispute between the Company and the Customer, the Company will continue to provide service under the Wholesale Distribution Service Agreement as long as the Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Customer fails to meet these two requirements for continuation of service, then the Company may provide notice to the Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

F. Regulatory Filings

The Company shall have the unilateral right to amend this tariff at any time. The Company may so amend by filing the same with FERC in accordance with Section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder, and such amendment shall become effective on the date specified therein, subject to any suspension order duly issued by FERC.

Following approval of updates to the Company's applicable base distribution service rates submitted in compliance with Massachusetts state statutory requirements governing retail electric companies' submission of electric service rate schedules, the Company will file commensurate updates to Tariff No. 1 and associated rates. The Company shall furthermore have the right at any time to amend its retail rate tariffs to reflect changes to its base distribution service rates or other state-approved non-base distribution service rates or adjustment factors as may apply by filing new schedules with the DPU in accordance with the laws of Massachusetts applicable to the distribution of electricity. Following such approval, the Company may file with FERC a request for commensurate updates to rates, including appropriate documentation concerning the action(s) of the DPU regarding the Company's base distribution service rates

which are reflected in the Company's Retail Delivery Service tariffs and which underlie this Tariff No. 1.

Nothing contained in this Tariff No. 1 or any Wholesale Distribution Service Agreement thereunder shall be construed as affecting in any way the right of the Company to unilaterally make application to FERC for a change in rates, terms, conditions, charges, classification of service, Service Agreement, rule, or regulation under Section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.

Nothing contained in this Tariff No. 1 or any Wholesale Distribution Service Agreement thereunder shall be construed as affecting in any way the ability of any Customer receiving service under this Tariff No. 1 to exercise its rights under the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder.

G. Uncontrollable Force and Indemnification

(1) Uncontrollable Force

An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the Company or Customer which could not be avoided through the exercise of Good Utility Practice. Neither the Company or Customer will be considered in default of any obligation under this Tariff No. 1 if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force.

(2) Occurrence of Uncontrollable Force

In the event of the occurrence of an Uncontrollable Force, which prevents the Company or Customer from performing any of its obligations under this Tariff

No. 1, the affected entity shall (i) if it is the Company, immediately notify the Customer in writing of the occurrence of such Uncontrollable Force and, if it is a Customer, immediately notify the Company in writing of the occurrence of such Uncontrollable Force, (ii) not be entitled to suspend performance of its obligations under this Tariff No. 1 in any greater scope or for any longer duration than is required by the Uncontrollable Force, (iii) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform and resume full performance of its obligations hereunder, (iv) in the case of the Company, keep the Customer apprised of such efforts, and in the case of the Customer, keep the Company apprised of such efforts, in each case on a continual basis and (v) provide written notice of the resumption of its performance of its obligations hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the entity involved in such strike, lockout or labor dispute and the requirement that an entity must use its best efforts to mitigate the effects of the Uncontrollable Force and/or remedy its inability to perform and resume full performance of its obligations hereunder shall not apply to strikes, lockouts, or labor disputes.

(3) Liability for Damages

The Company shall not be liable in damages to any Customer for any losses, damages, claims, liability, costs or expenses (including legal expenses) arising from the performance or non-performance of its obligations under this Tariff No. 1 or any Wholesale Distribution Service Agreement thereunder, except to the

extent that they result from gross negligence or intentional wrongdoing on the part of the Company.

(4) Exclusion of Certain Types of Loss

The Company shall not be liable to any Customer under any circumstances for any incidental, consequential, multiple or punitive damages, or indirect financial loss including but not limited to loss of profit, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under this Tariff No. 1 or any Wholesale Distribution Service Agreement thereunder.

(5) Customer Indemnity

Each Customer, to the extent permitted by law, shall indemnify the Company and hold it harmless against all losses, damages, claims, liabilities, costs or expenses (including legal expenses) arising from any act or omission of the Customer except to the extent that they result from the Company's default under this Tariff No. 1 or gross negligence or intentional wrongdoing on the part of the Company or of its officers, directors, or employees.

H. Creditworthiness

For the purpose of determining the ability of the Customer to meet its obligations related to service hereunder, the Company may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and the relevant creditworthiness provisions approved by the DPU in the Company's Standards for Interconnection of Distributed Generation (M.D.P.U. No. 1468).

I. Dispute Resolution Procedures

(1) Internal Dispute Resolution Procedures

Any dispute between a Customer and the Company involving Wholesale Distribution Service under this Tariff No. 1 (excluding applications for rate changes or other changes to the Tariff, or to any Wholesale Distribution Service Agreement entered into under the Tariff, which shall be presented directly to FERC for resolution) shall be referred to a designated senior representative of the Company and a senior representative of the Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

(2) External Arbitration Procedures

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission, distribution, and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally

conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations. Where a dispute involves facts and issues that are the subject of a dispute may be consolidated with the other pending proceeding(s) by the agreement of the parties to the dispute, which agreement shall not be unreasonably withheld.

(3) Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Wholesale Distribution Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The arbitration decision shall be based on (i) the evidence in the record, (ii) the terms of this Tariff No. 1 and the Wholesale Distribution Service Agreement, (iii) applicable United States federal law, including the Federal Power Act and any applicable FERC regulations and decisions, and international treaties or agreements as applicable, and (iv) applicable state law. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service or facilities.

(4) Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (i) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (ii) one half the cost of the single arbitrator jointly chosen by the Parties.

(5) Rights Under the Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with FERC under relevant provisions of the Federal Power Act.

J. Governing Law

Except as otherwise provided by federal law, this Tariff No. 1 shall be governed by and construed in accordance with, the laws of the Commonwealth of Massachusetts, except for its conflict of laws principles.

K. Provision of Service

(1) Company Responsibilities

The Company will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Customer with Wholesale Distribution Service over the Company's Distribution System. The Company shall include the Customer's Wholesale Distribution Service in its Distribution System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient Distribution System facilities to provide Wholesale Distribution Service.

(2) Term

The minimum term for Wholesale Distribution Service shall be one year.

(3) Service Agreements

The Company shall offer a standard form Wholesale Distribution Service Agreement (Attachment 1).

(4) Load Shedding and Curtailment of Wholesale Distribution Service

Customers under this Tariff shall be subject to the procedures for disconnection, load reduction, and curtailment as approved by the DPU in the Company's Standards for the Interconnection of Distributed Generation (M.D.P.U. No. 1468) and any additional applicable tariffs that may be approved by the D.P.U. and amended from time to time.

(5) Scheduling of Wholesale Distribution Service

Separate schedules for Wholesale Distribution Service shall not be required under this Tariff No. 1. In transmission schedules submitted to the ISO-NE, the Customer shall include its Generation, Charging Capacity, or Wholesale Distribution load, if required to do so under the ISO-NE Tariff, including applicable Distribution System real power losses, for which Wholesale Distribution Service is being provided pursuant to this Tariff No. 1.

(6) Self-Provision of Ancillary Services

Nothing in this Tariff No. 1 is intended to limit a Customer in the self-provision or sale of Ancillary Services, to the extent the Customer is eligible to self-provide or sell Ancillary Services under the terms of the ISO-NE Tariff or contracts, except when emergency conditions preclude such provision of ancillary services.

(7) Conflict with ISO-NE Tariff

If a Customer identifies a conflict between this Tariff No. 1 and the ISO-NE Tariff, the Company and the Customer shall make good faith efforts to resolve the conflict. If the Parties are unable to informally resolve the conflict, the Parties may use the Dispute Resolution Procedures set forth in Section I of this Tariff No. 1.

(8) Conflicting Operating Instructions

In the event a Customer receives conflicting operating instructions from the ISO-NE, one or more Participating Transmission Owner, or the Company in all cases, the Customer shall adhere first to the conditions of its Interconnection Service Agreement with the Company and applicable tariffs approved by the DPU.

Otherwise, the Customer shall adhere to applicable ISO-NE Tariff provisions and follow the ISO-NE's instructions. In no event shall a Customer be required to follow operating instructions from the ISO-NE if following those instructions would knowingly jeopardize human safety including by jeopardizing the safety and reliability of the Company's electric distribution system through violation of the Customer's Interconnection Service Agreement.

(9) Changes in Service Requests for Wholesale Distribution Service

Under no circumstances shall a Customer's decision to change its requested Wholesale Distribution Service in any way relieve such Customer of its obligation to pay the costs of facilities constructed by the Company and charged to the Customer as reflected in the Interconnection Service Agreement. However, the Company must treat any Customer's requested change in Wholesale Distribution Service in a non-discriminatory manner.

L. Procedures for Arranging Wholesale Distribution Service

(1) Interconnection

A Customer requesting interconnection of an ESS to the Company's Distribution System shall comply with the Standards for Interconnection of Distributed Generation (M.D.P.U. No. 1468) and the Terms and Conditions for Distribution Service (M.D.P.U. No. 1412), as each may be in effect from time to time.

(2) Completed Application

A Customer requesting service under this Tariff No. 1 must submit an Application to the Company as far as possible in advance of the month in which service is to commence. The Company may provide for an abbreviated Application procedure when a Customer requests that an existing distribution service be converted to Wholesale Distribution Service under this Tariff No. 1. Completed applications should be submitted electronically to the Company. These methods will provide a date-stamped record for establishing the priority of the Application. A completed Application shall provide all applicable information required to evaluate a request for Wholesale Distribution Service, including but not limited to the following:

- (i) The identity, address, telephone number and e-mail of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, a Customer under the Tariff;
- (iii) The location of the PCC;
- (iv) A description of the Customer's ESS;
- (v) A description of all loads that will be located at the facility, sufficient to demonstrate that on-site ESS Charging Energy and Station Service loads comply with the availability conditions of the Tariff.
- (vi) A one-line diagram of all electrical equipment located at the Customer facility;
- (vii) A written demonstration that the Customer will have the necessary contractual arrangements or existing contracts in place to receive transmission service over the ISO-NE Grid prior to the commencement of

Wholesale Distribution Service under the Tariff;

- (viii) A written demonstration that the Customer meets ISO-NE's criteria for qualifying as an Energy Storage Facility, as described in the ISO-NE Tariff;
- (ix) The Service Commencement Date and the term of the requested Wholesale Distribution Service; and
- (x) Such other information the Company reasonably requires to process the Application.

Unless the parties agree to a different time frame, the Company must acknowledge the Application within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Wholesale Distribution Service Agreement, will be sent to the Customer. If an Application fails to meet the requirements of this section, the Company shall notify the Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure.

Wherever possible, the Company will attempt to remedy deficiencies in the Application through informal communications with the Customer. If such efforts are unsuccessful, the Company shall return the Application to the Customer. The Company shall treat all information provided by the Customer consistent with the standards of conduct contained in Part 37 of FERC's regulations.

(3) Tender and Execution of Wholesale Distribution Service Agreement in the Form of Attachment 1

Failure of a Customer eligible for Wholesale Distribution Service to execute and return the Wholesale Distribution Service Agreement or request the filing of an unexecuted Wholesale Distribution Service Agreement pursuant to Section C of this Tariff No. 1 within fifteen (15) days after it is tendered by the Company, will be deemed a withdrawal and termination of the application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of a Customer to file another Application after such withdrawal and termination.

(4) Confirmation of Required ISO-NE Registration

Either prior to the commencement of Wholesale Distribution Service or within sixty (60) days after such commencement, the Customer shall provide the Company with written evidence of the facility's registration with ISO-NE as an Energy Storage Facility. A customer that fails to provide such evidence within the required period will be enrolled in the applicable retail rate until evidence of registration is provided.

M. Time Frames for Interconnection

The Company and Customer shall adhere to the time frames governing each step in the pertinent interconnection process, consistent with the relevant regulatory obligations approved by the DPU in the Company's Standards for Interconnection of Distributed Generation (M.D.P.U. 1468).

N. Metering Requirements

Each ESS must meet the applicable metering standards approved by the DPU in the Company's Standards for Interconnection of Distributed Generation (M.D.P.U. 1468), as well as

metering requirements necessary to qualify with ISO-NE as an ESF and to meet the availability conditions of this this Tariff No. 1. For facilities with Charging Load and Station Service, three meters are required, with one meter at the PCC (“PCC meter”), one meter electrically in series behind the PCC meter measuring only Charging Load, and one meter electrically in series behind the PCC meter measuring only Station Service. Facilities with only Charging Load and no Station Service require a single meter, positioned at the PCC. Customers shall be responsible for the costs incurred by Company for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment, in accordance with applicable state tariffs and the relevant monthly costs included in this tariff.

O. Compensation for Wholesale Distribution Service

(1) Charges Under the Tariff

The Customer shall pay the Company the Monthly Charge for Wholesale Distribution Service.

(2) Monthly Charge for Wholesale Distribution Service

The Monthly Charge will be the sum of the applicable Contract Demand, As-Used Peak Demand, and Access charges.

Customers taking service under this rate shall be charged based on the voltage level of the Company infrastructure at the PCC. Customers connecting to Company infrastructure with voltages greater than or equal to 2.4 kilovolts (kV) will be charged the Primary distribution rate. Customers connecting to Company infrastructure with voltages below 2.4 kV will be charged the Secondary distribution rate.

Demand shall be measured based on the highest monthly demand value within the relevant period (Peak period hours for As-Used Peak Demand, all

hours for Contract Demand) measured based on the import channel. Demand under ordinary load conditions shall be the greater of (i) the customer's greatest peak within the relevant period occurring as measured in kilowatts; or (ii) 90% of the customer's greatest peak within the relevant period as measured in kilovolt-amperes. Demand shall be measured in all cases based on the highest instantaneous peak.

(a) Determination of the Contract Demand Charge

Billing under this rate requires the establishment of a monthly Contract Demand charge, with demand units expressed in kilowatts.

The default demand value for the purpose of computing a Customer's Contract Demand will be determined based on the highest demand value in kilowatts allowable at the PCC over the course of a year (i.e., highest allowable seasonal value if a seasonal schedule is established) as set forth in the Customer's Interconnection Service Agreement. Demand for the purposes of determining a Customer's Contract Demand Charge value shall be inclusive of both Peak and Off-Peak periods.

A Customer may request a modified (downwards or subsequently upwards) Contract Demand by providing written notice to the Company no more than once every 12 months, using the Contract Demand election form appended to this Tariff No. 1. Any Customer request to modify the Contract Demand value must remain within the maximum demand parameters specified by the Interconnection Service Agreement.

For a Customer that elects to establish its own Contract Demand, if, in any billing month, the Customer's actual metered demand exceeds the Customer's Contract Demand, a surcharge shall apply to the current monthly bill equal to the following:

Exceedance of Contract Demand	0% to less than 10%	10% to less than 20%	20% or more
Surcharge Amount	12 times the sum of the monthly contract demand charge amount calculated for the excess demand	18 times the sum of the monthly contract demand charge amount calculated for the excess demand	24 times the sum of the monthly contract demand charge amount calculated for the excess demand

Contract Demand costs include operations and maintenance expenses on line transformers, services, and meters; load dispatching; supervision and engineering and allocated portions of labor-related overhead (injuries and damages, pension, benefits, payroll taxes, administration and general costs). The monthly Contract Demand charge is calculated by dividing the annual total to be recovered by the sum of class annual Non-Coincident Peaks (the maximum concurrent load of all customers in class), then dividing by 12 months.

(b) Determination of the As-Used Peak Demand Charge

The demand value for computing the As-Used Peak Demand Charge for each month will be determined based on a Customer's highest monthly demand measured during Peak hours. The Peak hours applicable to the As-Used Peak Demand Charge are 2:00 p.m to 8:00 p.m. on non-holiday weekdays. All other hours are deemed Off-Peak hours, including weekends and holidays. Holidays will be all legal holidays observed in the

Commonwealth of Massachusetts. The Company reserves the right pursuant to Section 205 of the Federal Power Act to change these Peak and Off-Peak hours.

If, in any billing period, there is a failure in the metered usage data acquisition that results in the failure to record As-Used Peak Demand data, the Company reserves the right to estimate reasonable values for the missing data for recording and billing purposes.

As-Used Peak Demand charge costs include the direct costs of owning and operating the system, comprising the distribution structures, substations, and conductors that serve the moment when the aggregate load of all connected customers is the highest, but excluding assets required only for an individual customer (i.e., line transformers, services, meters). The As-Used Peak Demand charge includes (i) for the assets identified above, return on rate base (including income taxes); rate base includes plant cost and related accumulated depreciation and accumulated deferred income tax; plus (ii) costs including operating and maintenance for the assets identified above, depreciation expense on those assets, allocated portions of property insurance, and property tax and allocated portions of labor-related overhead (injuries and damages, pension, benefits, payroll taxes, administration and general costs).

The monthly As-Used Peak Demand charge is calculated by dividing the annual total to be recovered by the sum of class annual Non-

Coincident Peaks (the maximum concurrent load of all customers in class), then dividing by 12 months.

(c) Determination of the Access Charge

The Access Charge will be a fixed monthly charge applied uniformly across all Wholesale Distribution Service customers. The Access Charge will be determined based on the return (including income taxes) on the applicable rate base plus the applicable costs. The total is divided by the number of annual bills and included in the Access Charge.

Costs included in the Access charge are (i) return (including income taxes) on rate base (comprising General Plant at cost less accumulated depreciation, Material and Supplies, Prepayments and cash Working Capital); and (ii) costs including Depreciation expense on general plant, administrative and general salaries, billing and collections and uncollectible costs, and allocated portions of labor-related overhead (injuries and damages, pension, benefits, payroll taxes, Administration and general costs).

P. Stranded Cost Recovery

The Company may seek to recover stranded costs from the Customer pursuant to this Tariff No. 1 in accordance with the terms, conditions, and procedures set forth in Commission Order Nos. 888 and 888-A. However, the Company must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

Q. Standards of Conduct

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of FERC's regulations (Open Access Same-

Time Information System and Standards of Conduct for Public Utilities) and will be followed to the extent applicable.

SCHEDULE II - LISTING OF RATES AND CHARGES

Customers taking Wholesale Charging Service pursuant to this Tariff No. 1 shall pay the rates below applicable to their service interconnection level:

I. Customer Connected at Primary Voltage:

1. Contract Demand Charge: \$0.51 per kW-month
2. As-Used Peak Demand Charge: \$8.77 per kW-month
3. Access Charge: \$20.94 per month

II. Customer Connected at Secondary Voltage:

1. Contract Demand Charge: \$0.72 per kW-month
2. As-Used Peak Demand Charge: \$13.39 per kW-month
3. Access Charge: \$20.94 per month

These rates shall be revised periodically to reflect changes in the costs and billing determinants of the Company's Distribution System.

**SCHEDULE III - FORM OF SERVICE AGREEMENT
FOR
WHOLESALE DISTRIBUTION SERVICE**

This Wholesale Distribution Service Agreement, is dated _____, 20__, between Nantucket Electric Company, d/b/a National Grid (“Nantucket Electric” or the “Company”), a Massachusetts corporation having an office at _____, and _____ (“Customer”), a _____ corporation, having an office at _____ (collectively, “Parties”).

WITNESSES

WHEREAS, Nantucket Electric owns and operates an electric transmission and distribution system in a franchised service area in Massachusetts;

WHEREAS, Nantucket Electric uses that system to provide retail electric sales service pursuant to General Service Rates on file with the Massachusetts Department of Public Utilities (“DPU”), or wholesale electric sales service under the Wholesale Distribution Service Tariff set forth in its Wholesale Distribution Tariff, FERC Electric Tariff, Volume No. 1 (“Tariff No. 1”);

WHEREAS, ISO New England Inc. (“ISO-NE”) exercises operational control over transmission facilities in Massachusetts in accordance with the ISO-NE Open Access Transmission Tariff (“OATT”) and administers markets for the sale and purchase of electric capacity, energy, and ancillary services;

WHEREAS, Customer owns and operates an “Energy Storage System” (“ESS”) at its premises in accordance with an Interconnection Service Agreement with Nantucket Electric;

WHEREAS, Customer has requested that Nantucket Electric deliver energy from an electric transmission substation (“Substation”) to the Customer for wholesale charging purposes;

WHEREAS, Nantucket Electric agrees to provide that delivery service (“Wholesale Distribution Service”) in accordance with the terms and conditions of this Agreement and the provisions of Tariff No. 1;

NOW THEREFORE, in consideration of the premises and mutual promises stated herein, Nantucket Electric and Customer agree as follows:

ARTICLE I

GENERAL TERMS AND CONDITIONS

1.1 Incorporation by Reference

Except as is otherwise expressly provided herein, this Wholesale Distribution Service Agreement incorporates by reference the terms and conditions of Nantucket Electric's General Service Rates, Terms and Conditions for Distribution Service (M.D.P.U. 1412), Standards for Interconnection of Distributed Generation (M.D.P.U. 1468), any additional applicable tariffs that may be approved by the DPU, and Tariff No. 1 as such tariffs may be amended or superseded from time to time. In the event of any conflict between the terms of this Wholesale Distribution Service Agreement and those of such tariff, the terms of this Wholesale Distribution Service Agreement shall govern with respect to matters provided herein.

1.2 Term

This Agreement is effective as of the date first written above and shall remain in effect until Customer permanently discontinues wholesale energy and other wholesale market transactions through the ISO-NE-administered wholesale markets or until this Agreement is terminated (i) in accordance with its terms, (ii) by mutual agreement of the Parties, (iii) or by an order of the Federal Energy Regulatory Commission ("FERC").

ARTICLE II

CUSTOMER OBLIGATIONS

2.1 Creditworthiness

For the purpose of determining the ability of the Customer to meet its obligations related to service hereunder, Nantucket Electric may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, Nantucket Electric may require the Customer to provide and maintain in effect during the term of this Wholesale Distribution Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under Tariff No. 1, or an alternative form of security proposed by the Customer and acceptable to the Company and consistent with commercial practices established by the Uniform Commercial Code that protects the Company against the risk of non-payment. The Company will determine on a non-discriminatory basis whether security will be required. Absent a material adverse change in the creditworthiness of the Customer, security will not be required where the Customer has previously established its creditworthiness pursuant to a tariff, rate schedule, or service contract for service provided by the Company, and has not defaulted on its obligation under that applicable tariff or rate schedule.

2.2 Billing and Payments

Customer shall pay to Nantucket Electric all charges assessed to Customer under Tariff No. 1.

2.2.1 Billing Procedure: Within a reasonable time after the first day of each month, the Company shall submit an invoice to the Customer for the charges for all services furnished under Tariff No. 1 during the preceding month. The invoice shall be paid by the Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Company, or by wire transfer to a bank named by the Company.

2.2.2 Interest on Unpaid Balances: Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Company.

2.2.3 Customer Default: In the event the Customer fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Company notifies the Customer to cure such failure, a default by the Customer shall be deemed to exist. Upon the occurrence of a default, the Company may initiate a proceeding with FERC to terminate service but shall not terminate service until FERC so approves any such request. In the event of a billing dispute between the Company and the Customer, the Company will continue to provide service under the Wholesale Distribution Service Agreement as long as the Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Customer fails to meet these two requirements for continuation of service, then the Company may provide notice to the Customer of its intention to suspend service in sixty (60) days, in accordance with FERC policy.

2.3 Representations and Warranties

The Customer represents and warrants that the information in Appendix No. 1 is correct. The Customer will promptly inform Nantucket Electric of any changes in such information.

ARTICLE III MISCELLANEOUS

3.1 Resolution of Disputes

Any dispute between a Customer and the Company involving Wholesale Distribution Service under Tariff No. 1 (excluding applications for rate changes or other changes to the Tariff, or to any Wholesale Distribution Service Agreement entered into under the Tariff, which shall be presented directly to FERC for resolution) shall be referred to a designated senior representative of the Customer and a senior representative of the Company for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the

dispute within thirty (30) days by mutual agreement, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedures set forth in Section I of Tariff No. 1.

3.2 Notices

Any notice to be given by Customer or Nantucket Electric to each other hereunder will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (i) delivered by hand, (ii) deposited for next-business day delivery (fee prepaid) with a reputable overnight delivery service such as Federal Express, or (iii) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that party (or at such other address as that party may from time to time designate by giving notice thereof):

To Nantucket Electric:

Attention: _____
Phone No.: _____

To Customer:

Attention: _____
Phone No.: _____

3.3 Amendments

Notwithstanding any provision of this Wholesale Distribution Service Agreement, Nantucket Electric may, unilaterally and at any time, propose and file with FERC changes to the rates, terms, and conditions of Tariff No. 1. Such amendment or modification will become effective with respect to service pursuant to this Wholesale Distribution Service Agreement on the date specified by FERC.

3.4 Prior Agreements Superseded

This Wholesale Distribution Service Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the parties with respect to the subject matter hereof, and binds and inures to the benefit of the parties, their successors and permitted assigns.

3.5 Waiver and Modification

No modification or waiver of all or any part of this Wholesale Distribution Service Agreement will be valid unless in writing and signed by the parties hereto. Any waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default, or matter.

3.6 Applicable Law and Forum

Interpretation and performance of this Wholesale Distribution Service Agreement will be in accordance with, and will be controlled by, the laws of Commonwealth of Massachusetts except its conflict of laws provisions to the extent they would require the application of the laws of any other jurisdiction. Customer irrevocably consents that any legal action or proceeding arising under or relating to this Wholesale Distribution Service Agreement will be brought in a court of the Commonwealth of Massachusetts or a federal court of the United States of America located in the Commonwealth of Massachusetts. Customer irrevocably waives any objection that it may now or in the future have to the Commonwealth of Massachusetts as the proper and exclusive forum for any legal action or proceeding arising under or relating to this Wholesale Distribution Service Agreement.

3.7 Severability

If one or more provisions herein will be invalid, illegal, or unenforceable in any respect it will be given effect to the extent permitted by applicable law, and such invalidity, illegality, or unenforceability will not affect the validity of the other provisions of this Wholesale Distribution Service Agreement.

3.8 Agency

This Wholesale Distribution Service Agreement is not intended, and will not be construed, to create any association, joint venture, agency relationship, or partnership between Nantucket Electric and Customer or to impose any such obligation or liability upon Nantucket Electric.

3.9 Not for the Benefit of Non-Parties

This Wholesale Distribution Service Agreement is for the benefit of Customer and Nantucket Electric and is not for the benefit of third parties.

IN WITNESS WHEREOF, Nantucket Electric and Customer have executed this Wholesale Distribution Service Agreement as of the date first written above.

NANTUCKET ELECTRIC COMPANY, D/B/A NATIONAL GRID

By: _____

Name: _____

Title: _____

CUSTOMER: _____

By: _____

Name: _____

Title: _____

TARIFF NO. 1
APPENDIX NO. 1 TO ATTACHMENT 1

CUSTOMER INFORMATION FORM

CUSTOMER INFORMATION

1. Customer Name: _____
DBA Name: _____
Street Address: _____
Town/City: _____
State: _____ Zip Code + 4: _____ Room: _____
Telephone Number: _____ Fax No.: _____
2. Address of Customer's Energy Storage System:
Street Address: _____
Town/City: _____
State: _____ Zip Code + 4: _____ Room: _____
3. Customer Contact Personnel (Name and Telephone Number)

4. Customer's Email Address _____ @ _____
5. Substation: _____
6. Distribution Facilities to which Energy Storage Resource is connected (primary or secondary):

7. Has the Customer previously submitted an Interconnection Application? ☐ Yes ☐ No
If so, please provide a description of the Interconnection Application:

8. Does the Customer have an existing Interconnection Service Agreement? ☐ Yes ☐ No
If so, please provide a description of the Interconnection Service Agreement:

Contract Demand

The Company will establish a Contract Demand of _____kW in accordance with Tariff No. 1.

- ☐ Customer accepts the Contract Demand level established by the Company.

Service to be supplied to the Customer will be supplied and conditioned on the Customer's ongoing compliance with the terms, conditions, and procedures set forth in the Wholesale Distribution Service Agreement and the Company's General Service Rates, Terms and Conditions for Distribution Service (M.D.P.U. 1412), and Standards for Interconnection of Distributed Generation (M.D.P.U. 1468), and any additional applicable tariffs that may be approved by the DPU as each may be amended from time to time.

OPTIONAL CUSTOMER ELECTION TO MODIFY CONTRACT DEMAND VALUE

Customer Name: _____

DBA Name: _____

Address of Customer's Energy Storage System:

Street Address: _____

Town/City: _____

State: _____ Zip Code + 4: _____ Room: _____

Customer elects to establish with the Company a modified Contract Demand value of _____ kW in accordance with Tariff No. 1. This election will become effective in the next billing period beginning 30 days after receipt of this form.

- ☐ Customer elects the above Contract Demand value, which will remain in effect for a minimum of 12 months and subject to surcharges in the event of a violation. The Customer may submit an updated version of this form beginning 12 months after the prior update.

Service to be supplied to the Customer will be supplied and conditioned on the Customer's ongoing compliance with the terms, conditions, and procedures set forth in the Wholesale Distribution Service Agreement and the Company's General Service Rates, Terms and Conditions for Distribution Service (M.D.P.U. 1412), and Standards for Interconnection of Distributed Generation (M.D.P.U. 1468), and any additional applicable tariffs that may be approved by the DPU as each may be amended from time to time.