

WESTERN MASSACHUSETTS

TERMS AND CONDITIONS – COMPETITIVE SUPPLIERS

1. Applicability

1A. The following Terms and Conditions shall apply to every registered Competitive Supplier authorized to do business within the Commonwealth of Massachusetts, and to every Customer and Distribution Company doing business with said Competitive Suppliers.

1B. These Terms and Conditions may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in M.D.P.U. regulations and Massachusetts law. In case of conflict between these Terms and Conditions and any orders or regulations of the M.D.P.U., said orders or regulations shall govern.

1C. No agent or employee of the Company is authorized to modify any provision contained in these Terms and Conditions or to bind the Company to performing any manner contrary thereto. Any such modification to these Terms and Conditions or any such promise contrary thereto shall be in writing, duly executed by an authorized officer of the Company, and subject in all cases to applicable statutes and to the orders and regulations of the M.D.P.U., and available for public inspection during normal business hours at the business offices of the Company and at the offices of the M.D.P.U.

2. Definitions

"Basic Service" (previously referred to as "Default Service") shall mean the service provided by the Distribution Company to a Customer who is not receiving Generation Service from a Competitive Supplier, in accordance with the provisions set forth in the Company's Basic Service tariff, on file with the M.D.P.U.

"Bill Insert Month" shall mean the three months in any calendar year that the Company will include the Competitive Supplier's offer information as a bill insert to its residential and small commercial customers.

"Company" shall mean NSTAR Electric Company d/b/a Eversource Energy, a Distribution Company.

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"Competitive Supplier" shall mean any entity licensed by the M.D.P.U. 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" shall mean a company engaging in the distribution of electricity or owning, operating, or controlling distribution facilities; provided, however, a Distribution Company shall not include any entity which owns or operates plant or equipment used to produce electricity, steam, and chilled water, or any affiliate engaged solely in the provision of such electricity, steam, and chilled water, where the electricity produced by such entity or its affiliate is primarily for the benefit of hospitals and non-profit educational institutions, and where such plant or equipment was in operation prior to January 1, 1986.

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

"EBT Working Group Report" or "Report" shall mean the most recently revised version of the report initially submitted by the Electronic Business Transaction Working Group on October 9, 1997. The Report shall be on file at the M.D.P.U.

"Electric Offer" shall mean an offer made by a Competitive Supplier to provide Generation Service to a residential or small commercial Customer in the Company's service territory.

"Enrollment period" shall mean, for a particular Customer, the period of time during which a Competitive Supplier may submit an enrollment transaction to a Distribution Company for initiation of Generation Service concurrent with the start of the Customer's next billing cycle. The enrollment period commences two business

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days prior to the Customer's schedule cycle meter-read date and ends two business days prior to the Customer's next scheduled cycle meter-read date.

"Generation Service" shall mean the sale of electricity to a Customer by a Competitive Supplier, including capacity and ancillary services such as the provision of reserves and all other services relating to generation required by ISO-NE, and retail offerings that utilize renewable energy certificates or represent alternative compliance payments that are bundled with generation, provided that such products can be billed using the Standard Complete Billing Service platform.

"ISO-NE" shall mean the Independent System Operator of the New England bulk power system and its successors.

"M.D.P.U." shall mean the Massachusetts Department of Public Utilities.

"Metering Domains" shall mean connections points created within the ISO-NE settlement power system model that facilitate the calculation of the unmetered load asset value to ensure all generation and load is accounted for in the New England control area.

"Municipal Aggregation Program" shall refer to a program implemented by a municipality, or group of municipalities, authorized by M.G.L. c. 164, § 134 to aggregate the electrical load of interested electricity customers within its boundaries, pursuant to a municipal aggregation plan approved by the Department of Public Utilities.

"Municipal Aggregator" shall refer to a municipality, group of municipalities, or their authorized agent, operating a Municipal Aggregation Program, as defined herein, approved by the Department of Public Utilities.

"NEPOOL" shall mean the New England Power Pool and its successors.

"NEPOOL PTF" shall have the meaning set forth in Section II.49 of ISO-NE's Open Access Transmission

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Tariff-FERC Electric Tariff No. 3, as it may be amended or supplemented from time to time.

"Own-Load Calculation" shall mean the settlement method utilized by NEPOOL for its members, as set forth in the NEPOOL Agreement, as amended from time to time, on file as a tariff with the Federal Energy Regulatory Commission.

"Terms and Conditions" shall mean these Terms and Conditions for Competitive Suppliers.

3. **Obligations of Parties**

3A. **Customer**

A Customer shall select one Competitive Supplier for each account at any given time, or authorize an agent to make the selection for the Customer, for the purposes of the Distribution Company (1) reporting the Customer's hourly electric consumption to the ISO-NE, and (2) providing billing services. The Customer must provide the selected Competitive Supplier with the information necessary to allow the Competitive Supplier to initiate Generation Service, in accordance with Section 5A, below. A Customer may choose only a Competitive Supplier that is licensed by the M.D.P.U.

Nothing in these Terms and Conditions shall prohibit a Customer from entering into arrangements with multiple suppliers, provided that a single Competitive Supplier is designated for the purposes described above.

A Customer shall notify the Distribution Company if the Customer chooses to not have their customer information shared with Competitive Suppliers and/or Competitive REA Suppliers, pursuant to D.T.E. 01-54-A; provided that the Distribution Company may not withhold such customer information from a Municipal Aggregator operating a Municipal Aggregation Program serving the municipality or group of municipalities in which the Customer takes Basic Service.

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3B. Distribution Company

The Company shall:

- (1) Arrange for or provide (i) regional network transmission service over NEPOOL PTF and (ii) local network transmission service from NEPOOL PTF to the Company's Distribution System for each Customer, unless the Customer or its Competitive Supplier otherwise arranges for such service;
- (2) Deliver power over distribution facilities to each Customer Delivery Point;
- (3) Provide customer service and support for Distribution Service and, if contracted by the Competitive Supplier, for Generation Service in accordance with Section 8B.3 below;
- (4) Respond to service interruptions or power quality problems;
- (5) Handle connections and terminations; i.e. physically connect or disconnect the meter
- (6) Release Customer information, pursuant to D.T.E. 01-54-A, to Competitive Suppliers and/or Competitive REA Suppliers unless the Customer has requested not to share such information pursuant to Section 3A of this tariff;
- (7) For Customers taking Basic Service, release Customer information (name, account number, service address, billing address, rate class, cycle number, service number, customer identifier, meter volt indicator and usage information) to a Municipal Aggregator operating a Municipal Aggregation Program serving the municipality or group of municipalities in which the Customer takes Basic Service;

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- (8) Read meters;
- (9) Submit bills to Customers for Distribution Service and, if contracted by the Competitive Supplier, for Generation Service in accordance with Section 8B below;
- (10) Address billing inquiries for Distribution Service and, if contracted by the Competitive Supplier, for Generation Service in accordance with Section 8B.3 below;
- (11) Answer general questions about Distribution Service;
- (12) Report Competitive Suppliers' estimated and metered loads, including local network transmission and distribution losses, to the ISO-NE, in accordance with Section 9 below;
- (13) Process the electronic business transactions submitted by Competitive Suppliers, and send the necessary electronic business transactions to Competitive Suppliers, in accordance with Section 5, below, and the rules and procedures set forth in the EBT Working Group Report;
- (14) Provide information regarding, at a minimum, rate tariffs, billing cycles, and load profiles, on its Internet website or by alternate electronic means; and
- (15) Provide Basic Service to Customers in accordance with the Company's tariff; and
- (16) Provide residential and small commercial Customers in the Company's Service territory with information regarding their electricity supply options pursuant to the provisions of Section 11 of the Terms and Conditions including then-available offers from Competitive Suppliers in the Company's service territory.

3C. Competitive Supplier

- 1. Each Competitive Supplier must meet the registration and licensing requirements

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established by law or regulation and either (i) be a member of NEPOOL subject to an Own-Load Calculation or (ii) have an agreement in place with a NEPOOL member whereby the NEPOOL member agrees to include the load to be served by the Competitive Supplier in such NEPOOL member's Own-Load Calculation.

2. A Competitive Supplier shall be responsible for providing all-requirements service to meet each of its Customers' needs and to deliver the associated capacity and energy to a point or points on NEPOOL PTF, including all necessary reserves, backup and ancillary services, in accordance with all applicable rules and regulations of NEPOOL and ISO-NE.

3. A Competitive Supplier providing Generation Service to Customers will be responsible for any and all losses incurred on (i) local network transmission systems and distribution systems, as determined by the Company; (ii) NEPOOL PTF, as determined by the ISO-NE; and (iii) facilities linking generation to NEPOOL PTF. A Competitive Supplier shall also be responsible for all transmission wheeling charges necessary to reach NEPOOL PTF.

4. A Competitive Supplier shall be required to complete testing of the transactions included in the EBT Working Group Report prior to the initiation of Generation Service to any Customer in the Company's service territory. Such testing shall be in accordance with the rules and procedures set forth in the Report.

5. Each Competitive Supplier shall be required to enter into a service contract with the Distribution Company that resolves issues associated with, among other things, information exchange, problem resolution, and revenue liability. This contract must be entered prior to the initiation of Generation Service to any Customer in the Company's service territory.

6. A Competitive Supplier shall be responsible for obtaining the necessary authorization from each Customer prior to initiating Generation Service to the Customer. Such authorization shall be in accordance with St. 1997, c. 164, § 193 (G.L. c. 164, § 1F(8)(a)) and 220 C.M.R. § 11.05.

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7. A Competitive Supplier not affiliated with the Company shall be responsible for obtaining the necessary authorization from each Customer prior to requesting the Company to release the Company's historic usage information specific to that Customer to such Competitive Supplier. Such authorization shall consist of (i) letter of authorization; (ii) third-party verification; or (iii) a customer-initiated call to an independent third-party, consistent with 220 C.M.R. § 11.05. A Competitive Supplier affiliated with the Company must obtain a Customer's written authorization prior to requesting the release of the Company's historic usage information specific to that Customer consistent with St. 1997, c. 164, § 193 (G.L. c.164, § 1C(v)) and 220 C.M.R. § 12.00 et seq.,

8. A Competitive Supplier wishing to have offer information provided to customers by the Company shall abide by the provisions of Section 11 of the Terms and Conditions.

4. Customer Usage Information to be Made Available to Competitive Suppliers

The Company shall be required to provide twelve months of a Customer's historic usage data to a Competitive Supplier, provided that the Competitive Supplier has received the appropriate authorization, in accordance with the provisions established in Section 3C.7, above. This information shall be provided in electronic form.

The Company shall print twelve months of historic usage data on customers' bills, in addition to the usage data for the current billing period.

The Company shall be required to provide customers who, since January 1, 1995, have been billed in part on a demand basis, with twelve months of usage data, upon the customer's written request. These data shall be provided pursuant to the requirements set forth in St. 1997, c.164, § 193 (G.L. c. 164, § 1F(9)).

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5. Initiation and Termination of Generation Service

5A. Initiation of Generation Service

To initiate Generation Service to a Customer, the Competitive Supplier shall submit an "enroll customer" transaction to the Company, in accordance with the rules and procedures set forth in the EBT Working Group Report. The Competitive Supplier shall hold the "enroll customer" transaction until any applicable right of rescission has lapsed.

If the information on the enrollment transaction is correct, the Distribution Company shall send the Competitive Supplier a "successful enrollment" transaction, in accordance with the rules and procedures set forth in the EBT Working Group Report. Generation Service shall commence on the date of the Customer's next scheduled meter read, provided that the Supplier has submitted the enrollment transaction to the Distribution Company no fewer than two business days prior to the meter read date. If the Supplier has not submitted the enrollment transaction at least two days before the meter read date, Generation Service shall commence on the date of the Customer's subsequent scheduled meter read.

If more than one Competitive Supplier submits an enrollment transaction for a given Customer during the same enrollment period, the first transaction that is received by the Distribution Company shall be accepted. All other transactions shall be rejected. Rejected transactions may be resubmitted during the customer's next enrollment period.

5B. Termination of Generation Service

To terminate Generation Service with a Customer, a Competitive Supplier shall submit a "supplier drops customer" transaction, in accordance with the rules and procedures set forth in the EBT Working Group Report. Generation Service shall be terminated on the date of the customer's next scheduled meter read, provided that the Competitive Supplier has submitted this transaction to the Distribution Company no fewer than two business days prior to the meter read date.

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If the Competitive Supplier has not submitted this transaction at least two days before the meter read date, Generation Service shall be terminated on the date of the Customer's subsequent scheduled meter read. The Distribution Company shall send a "confirm drop date" transaction to the Competitive Supplier, in accordance with the rules and procedures set forth in the EBT Working Group Report.

To terminate Generation Service with a Competitive Supplier, a Customer shall so inform the Distribution Company or Competitive Supplier. In the event that the Customer informs the Distribution Company directly, Generation Service shall be terminated within two business days for residential customers; for other customers, Generation Service shall be terminated on the date of the Customer's next scheduled meter read. The Distribution Company shall send a "customer drops supplier" transaction to the Competitive Supplier, in accordance with the rules and procedures set forth in the EBT Working Group Report. In the event that the Customer informs the Competitive Supplier, the Supplier shall send a "supplier drops customer" to the Distribution Company in accordance with the rules and procedures set forth in the EBT Working Group Report.

In those instances when a Customer who is receiving Generation Service from an existing Competitive Supplier initiates such service with a new Competitive Supplier, the Distribution Company shall send the existing Competitive Supplier a "customer drops supplier" transaction, in accordance with the rules and procedures set forth in the EBT Working Group Report.

5C. Customer Enrollment and Termination Errors

The Company will process customer enrollments and terminations in accordance with Section 5A and 5B of this document. The Company has a system in place of checks and balances to minimize any oversights. In the event a Competitive Supplier enrollment or termination is overlooked by either the Customer Service System or manually by a Company representative, it is the sole responsibility of the Competitive Supplier to notify the Company of this error within sixty days of the enrollment or termination effective date and the Company shall have no liability to the Competitive Supplier and/or the Customer for costs, expenses and losses resulting from any such error.

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5D. Customer Moves

A Customer that moves within a Distribution Company's service territory shall have the opportunity to notify the Distribution Company that he/she seeks to continue Generation Service with his/her existing Competitive Supplier. Upon such notification, the Distribution Company shall send a "customer move" transaction to the Competitive Suppliers, in accordance with the rules and procedures set forth in the EBT Working Group Report.

In those instances when a Customer moves into a Distribution Company's service territory, the Customer's existing Competitive Supplier must submit an "enroll customer" transaction to the new Distribution Company in order to initiate Generation Service. Otherwise, the Customer shall receive Basic Service in accordance with the Company's respective tariffs.

5E. Other Provisions

Distribution Companies and Suppliers shall send "change enrollment detail" transactions to change any information included on the "enroll customer" transactions, in accordance with the rules and procedures set forth in the EBT Working Group Report.

If any of the transactions described above are rejected by the Distribution Company, the Distribution Company shall send an "error" transaction to the Competitive Supplier identifying the reason for the rejection, in accordance with the rules and procedures set forth in the EBT Working Group Report.

5F. Fees

The Company may charge fees to Competitive Supplier for processing the transactions described above, as approved by the M.D.P.U. These fees are included in Appendix A.

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6. Distribution Service Interruption

6A. Planned Outages

In the event that the loading of the Distribution System, or a portion thereof, must be reduced for safe and reliable operation, such reduction in loading shall be proportionately allocated among all Customers whose load contributes to the need for the reduction, when such proportional curtailments can be accommodated within good utility practices.

6B. Unplanned Outages

In the event of unplanned outages, service will be restored in accordance with good utility practice. When appropriate, service restoration shall be accomplished in accordance with the Company System Storm Emergency Plan on file with the M.D.P.U.

6C. Disconnection of Service

The Distribution Company may discontinue Distribution Service to a Customer in accordance with the provisions set forth in the Terms and Conditions for Distribution Service. The Company shall provide electronic notification, using the Customer Usage and Billing Information transaction, to the Customer's Competitive Supplier of record, upon final billing to the Customer. Once disconnection occurs, the provision of Generation Service to the Customer is no longer the obligation of the Competitive Supplier. The Company shall not be liable for any revenue losses to the Competitive Supplier as a result of any such disconnection.

7. Metering

7A. Meter Reading

The Company shall meter each Customer in accordance with tariff provisions. Upon request by a

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Competitive Supplier, the Company shall schedule meter reads on a monthly cycle.

Each Customer shall be metered or estimated such that the loads can be reported to the ISO-NE for inclusion in the Competitive Supplier's, or the Competitive Supplier's wholesale provider's, Own-Load Calculation.

7B. Ownership of Metering Equipment

Should a Customer or Competitive Supplier request a new meter or that a communication device be attached to the existing meter, the Company shall provide, install, test, and maintain the requested metering 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, if reasonably possible, 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. No Customer nor Competitive Supplier shall attach any type of external device to any Company meter, even if there is no impact to the functions of the meter.

8. Billing

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 Passthrough Billing Service. The Competitive Supplier shall inform the Distribution Company of the selected billing option, in accordance with the rules and procedures set forth in the EBT Working Group Report.

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8A. Standard Passthrough Billing Service

The Company shall issue a bill for Distribution Service to each Customer. The Competitive Supplier shall be responsible for separately billing Customers for the cost of Generation Service provided by the Competitive Supplier and for the collection of amounts due to the Competitive Supplier from the Customer.

The Company shall send a "Customer usage information" transaction to the Competitive Supplier, in accordance with the rules and procedures set forth in the EBT Working Group Report.

8B. Standard Complete Billing Service and Purchase of Receivables Program

1. Eligibility for Purchase of Receivables ("POR") Program

Competitive Suppliers that choose the Standard Complete Billing service, either for all or a portion of their customer accounts in a class ("Participating Competitive Suppliers"), will be required to sell their accounts receivable to the Company relating to Generation Service for those customers for whom the Company issues a Standard Complete Bill.

2. Billing Procedure

The Company shall issue a single bill for electric service to each Customer.

The Company shall use the rates supplied by the Competitive Supplier to calculate the Competitive Supplier portion of Customer bills, and integrate this billing with its own billing in a single mailing to the Customer. The Company shall send a "customer usage and billing information" transaction to the Competitive Supplier, in accordance with the rules and procedures set forth in the EBT Working Group Report.

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The Company shall send a "payment/adjustment" detail spreadsheet on a monthly basis once the funds have been sent to the Competitive Supplier in accordance with the rules and procedures set forth in the EBT Working Group Report, or in accordance with a negotiated, uniform set of rules and procedures that apply to all Competitive Suppliers participating in the Company's POR program. Customer revenue due to the Competitive Supplier shall be transferred to the Competitive Supplier in accordance with the service contract entered into by the Competitive Supplier and the Company, calculated in the manner described in paragraph 8B.2.b, below.

a. Timing of Payment to Competitive Suppliers

The payment to Competitive Suppliers of the amounts computed in accordance with the provisions of paragraph 8B.2b, below, shall be made monthly consistent with the combined average payment period of the Company's Customer Classes.

Unless otherwise ordered by the MDPU, the average payment period shall be based on actual historical data for the most recent 12-month period for which data is available in the relevant classification, or other appropriate period, as approved by the MDPU. On or about March 15th of each year, the Company shall file with the MDPU data on the average historical payment period that will be in place the subsequent year beginning May 1st. The Standard Complete Billing Percentage computed in accordance with the provisions of paragraph 8B.2.b, below, will remain in effect for the entire year, unless otherwise approved by the MDPU.

b. Amount of Payment to Competitive Suppliers

The Company shall pay the Competitive Supplier the full amounts due from Customer for Generation Service, less the Standard Complete Billing Percentage as defined below. For any customer that has elected Budget Billing, the full amounts due for Generation Service shall be based on the customer's actual usage, rather than the amount the customer is billed under the Company's Budget Billing Program. In

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all other instances, the full amounts due for Generation Service shall be based on the amount actually billed to the customer.

On or about March 15th of each year, the Company shall file with the MDPU the said percentages that will be in place for the subsequent year beginning May 1st. The percentages will remain in effect for the entire year unless otherwise approved by the MDPU. The percentages shall be computed in accordance with the following formula:

$$\text{SCBPcc} = \text{UPcc} + \text{ACPcc} + \text{PPRPcc}$$

Where

CC = The Customer Class defined as Customers in a rate class or classes as designated by the Company and approved by the MDPU.

SCBPcc = Standard Complete Billing Percentage for the Customer Class to be deducted from the full amounts due for Generation Service.

UPcc = Uncollectible Percentage is the uncollectible expense for the participating Customer Class, exclusive of uncollectible expenses for existing receivables described in section 8B.3.b, based on actual data for the most recent period for which data is available prior to the annual filing (or other appropriate period approved by the MDPU), divided by the total amounts billed by the Company, including late payment fees if included in uncollectible expense, to that participating Customer Class for the same period. The period to be used for purposes of calculating the Uncollectible Percentage shall be the same period the Company uses for calculating its uncollectible costs associated with the amounts the Company bills for Basic Service supply.

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During the first year of program operation, the Uncollectible Percentage is the uncollectible expense for the participating Customer Class based on actual data, excluding uncollectible expenses related to amounts billed by the Company for Generation Service purchased from Competitive Suppliers, divided by the total amounts billed by the Company, including late payment fees if included in uncollectible expense and excluding amounts billed by the Company for Generation Service purchased from Competitive Suppliers, to that participating Customer Class. The period used to calculate the first year Uncollectible Percentage will be the same period as that used/reflected in the calculation of its uncollectible costs associated with the amounts the Company bills for Basic Service supply.

ACPcc = Administrative Cost Percentage is total forecasted Administrative Costs to be recovered for the subsequent year divided by the total amounts billed for Generation Service by the Company for the most recent 12-month period for which data is available prior to the annual filing.

Administrative Costs shall include the amortization of costs over a period approved by the MDPU directly related to the development and implementation of changes to billing, information and accounting systems directly related to the implementation of the billing procedures necessary to incorporate a Purchase of Receivables program into Standard Complete Billing Service as instituted in accordance with Section 60 of Chapter 169 of the Acts of 2008 and ongoing administrative costs directly associated with providing such Standard Complete Billing Service, to the extent approved by the MDPU.

PPRPcc = Past Period Reconciliation Percentage for the Customer Class is the sum of the following three percentages:

- 1) the percentage associated with the difference between estimated uncollectible expense reflected in the SCBPcc applied to the full amounts due to Participating Competitive Suppliers for the applicable 12-month period and the actual

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uncollectible expense incurred over the same 12-month period, calculated as:

(i) the difference between (a) the uncollectible expenses actually experienced for previous year(s) for Customers in the Customer Class for which the Company actually billed under Standard Complete Billing over the applicable 12-month period, calculated by multiplying the total amounts actually billed to Customers in the Customer Class under Standard Complete Billing over the applicable 12-month period by the actual UPCC for the same twelve month period, and (b) the total amounts actually billed to Customers in the Customer Class under Standard Complete Billing over the applicable 12-month period multiplied by the applicable UPCC from the previous year, plus

(ii) the difference between (a) the uncollectible expenses actually experienced associated with the purchase of existing receivables from Participating Competitive Suppliers and (b) the total amounts actually deducted from payments to Participating Competitive Suppliers for the purchase of their existing receivables.

(iii) divided by the total amounts billed to Customers in the Customer Class under Standard Complete Billing for the same 12-month period.

2) the difference between (a) the Administrative Costs actually incurred for previous year(s) for Customers in the Customer Class purchasing Generation Service from Competitive Suppliers; and (b) the total amounts actually billed to Customers in the Customer Class for Generation Service purchased from Competitive Suppliers for those years times the applicable ACPcc, divided by the total amounts billed to Customers in the Customer Class purchasing Generation Service from Competitive

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Suppliers by the Company for the most recent 12-month period for which data is available prior to the annual filing.

3) Interest calculated on the average monthly balance of the Past Period Reconciliation using the customer deposit rate in 220 CMR 26.09, divided by the total amounts billed to Customers in the Customer Class for Generation Service purchased from Competitive Suppliers by the Company for the most recent 12-month period for which data is available prior to the annual filing. The rate of interest, effective February 1st of each year, shall be the equivalent of the rate paid on two-year, United States Treasury notes for the preceding 12 months ending December 31.

c. Information Required to be Filed with the MDPU

Information pertaining to the annual filing pursuant to paragraph 8B.2.a, and paragraph 8B.2.b, above, and any other filings to seek changes to the above provisions, shall be fully documented and include updated information relating to preliminary reconciliation data for the year in which the filing is made, with actual reconciliation amounts to be submitted the subsequent year.

3. Implementation of POR Program

a. Effective Date

The Company's POR program shall take effect upon the following date after MDPU approval of the Company's POR implementation plan: (1) within three (3) months after approval for a Company with an affiliate administering a POR program in another state; and (2) within six (6) months after approval for any other Company.

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b. Existing Receivables

Pursuant to the terms of a service contract applicable to the POR program, the Company shall pay a Participating Competitive Supplier for amounts already existing as outstanding accounts receivables of the Participating Competitive Supplier at the commencement of the Company's POR program. The amounts purchased for the Existing Receivables shall be subject to full reconciliation in accordance with the PPRPcc provision in paragraph 8B.2.b, above.

4. Security Interests

Pursuant to the terms of a service contract applicable to the POR program, Participating Competitive Suppliers shall grant the Company a first priority perfected security interest in the accounts receivable that the Company will be purchasing through its POR program. A Participating Competitive Supplier shall be authorized by the Company to place a security interest on the accounts receivable from the Company to the Participating Competitive Supplier associated with the purchase by the Company of the Participating Competitive Supplier's accounts receivable.

5. Changes to Rate Classes

If a Competitive Supplier requests different customer classes or rate structures than those that are offered by the Company, the Company shall accommodate changes to the billing system, if reasonably possible, at the Competitive Supplier's expense. The costs of making the designated changes shall be quoted by the Company to the Competitive Supplier prior to the start of programming.

6. Optional Customer Services

Upon request by a Competitive Supplier, the Company may offer optional customer services to those Competitive Suppliers who receive Standard Complete Billing Service. Pricing for

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these optional services shall be customized to the Competitive Supplier's needs, and shall be dependent on the specific customer services required by the Competitive Supplier, the volume of Customer calls, requested coverage hours, and/or the specific number of customer service representatives requested.

7. Summary Billing

The Company may offer a Summary Billing option for Competitive Suppliers who have qualified Customers with multiple electric service accounts. Designed to consolidate multiple individual billings on a single bill format, this optional service allows Customers to pay multiple accounts with one check.

8. Existing Fees

Existing Company service fees, such as interest charges for unpaid balances and bad check charges, shall remain in effect and shall be assessed, as applicable, according to the Company's Terms and Conditions for Distribution Service, applicable to all Customers.

8C. Definition of Standard Units of Service

1. Billing Demand

Units of billing demand shall be as defined in the Company's applicable tariffs on file with the M.D.P.U.

2. On-Peak/Off-Peak Period Definitions

The on-peak and off-peak periods shall be as defined in the Company's applicable tariffs on file with the M.D.P.U.

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Competitive Suppliers may define on-peak and off-peak periods differently from those above; however, they will be required to make special metering arrangements with the Company to reflect different on-peak and off-peak definitions. Any costs incurred to provide the special metering arrangements shall be assigned to the Competitive Supplier.

8D. Fees

The Company may charge fees to Competitive Suppliers for providing the services described in this section of the Terms and Conditions, as approved by the M.D.P.U. These fees are included in Appendix A.

9. Determination of Hourly Loads

- 9A. For each Competitive Supplier, hourly loads for each day shall be estimated or telemetered and reported daily to the ISO-NE for inclusion in the Competitive Supplier's Own-Load Calculation. Hourly load estimates will be based upon load profiles developed for each customer class or Customer of the Company. The total hourly loads will be determined in accordance with the appropriate hourly load for the Company.
- 9B. The Company shall normally report previous days' hourly loads to the ISO-NE by a specified time. These loads shall be included in the Competitive Supplier's Own Load Calculation.
- 9C. To refine the estimates of the Competitive Suppliers' loads that result from the estimated hourly loads, a monthly calculation shall be performed to incorporate the most recent customer usage information, which is available after the monthly meter readings are processed.
- 9D. The hourly loads shall be determined consistent with the following steps:

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- (1) The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load.
 - (2) The Company shall calculate a usage factor for each Customer that reflects the Customer's relative usage level.
 - (3) The Company shall develop estimates of hourly load profiles for the previous day for each Competitive Supplier such that the sum of the Competitive Suppliers' loads equals the hourly metered loads collected each day. Distribution losses, which are included in the hourly metered Company loads, shall be fully allocated into Competitive Supplier loads.
 - (4) Transmission losses from local network facilities shall be approximated and added to the Competitive Supplier's hourly loads.
- 9E. The process of Competitive Supplier load estimation involves statistical samples and estimating error. The Distribution Company shall not be responsible for any estimating errors and shall not be liable to the Competitive Supplier for any costs that are associated with such estimating errors.
10. Liability and Indemnification

The liability of the Competitive Supplier to the Customer shall be as set forth in the specific Customer/Competitive Supplier Contract.

Except as provided in § 9E of the Model Terms and Conditions, the Company and the Competitive Supplier shall indemnify and hold the other and their respective affiliates, and the directors, officers, employees, and agents of each of them (collectively, "Affiliates") harmless from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or

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otherwise (collectively, "Liabilities"), resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of such party in connection with the performance of its obligations under these Terms and Conditions. The Company and the Competitive Supplier shall waive recourse against the other party and its Affiliates for or arising from the non-negligent performance by such other party in connection with the performance of its obligations under these Terms and Conditions.

11. Electric Offer Information

This section outlines information that shall be made available by the Company to inform residential and small commercial Customers in the Company's service territory of available electricity supply options. The Program shall consist of the Company's communication of Electric Offers and other information through the Company's website, mailings, and inserts in the Company's bills, each as described herein and in a manner approved by the M.D.P.U.

11A. Competitive Supplier Obligations

1. A Competitive Supplier may choose to have the Company provide customers with information on its current Electric Offers. If it so chooses, the Competitive Supplier shall comply with the provisions of this section. Nothing in this section shall prevent a Competitive Supplier from making offers available to customers outside of the provisions of this section.
2. A Competitive Supplier shall notify the Company in writing of its intent to have Electric Offer information distributed and shall include in such notification the telephone number and email address of the Competitive Supplier's customer service center and the Competitive Supplier's website address.
3. For dissemination of the Competitive Supplier's offer information on the Company's website a Competitive Supplier shall notify the Company in writing

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electronically by the fifth day before the end of each month of the Competitive Supplier's Electric Offers that shall be effective on the first day of the following month. Such notification shall be required even if there is no change in the Competitive Supplier's Electric Offers from the prior month.

- a. For dissemination of the Competitive Supplier's offer information by bill insert, a Competitive Supplier shall notify the Company in writing electronically by the first day of the month preceding the Bill Insert Month.
4. A Competitive Supplier shall report its Electric Offers to the Company pursuant to a format to be determined by the M.D.P.U.
5. A Competitive Supplier shall respond to Customers' inquiries regarding the provision of Generation Service that the Customers receive through the Competitive Supplier's Electric Offers.
6. A Competitive Supplier may withdraw from the Program at any time, but may not return to the Program until the first day of the next month following the date of the withdrawal; provided, however, that the Competitive Supplier must comply with the advance notification requirement set forth in paragraph 3 above in order to participate in the Program during any given month.

11B. Company Obligations

1. The Company shall offer to residential and small commercial Customers the option to learn about their electricity supply options when they contact the Company to: (a) initiate new utility service; (b) reinstate service following a change of residence or business location; (c) make an inquiry regarding their rates; or (d) seek information regarding energy efficiency.

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2. The Company shall direct Customers expressing an interest in learning about their electricity supply options (hereinafter “Interested Customers”) to the Company’s webpage containing the Company’s existing Basic Service rate/rates, information on the Electric Offers available from Competitive Suppliers, and contact information for each Competitive Supplier, including the telephone number and e-mail address of the Competitive Supplier’s customer service center and a live link to the Competitive Supplier’s website address.
3. The Company shall mail to those Interested Customers who do not have web access a printed version of the information contained on the Competitive Supplier webpage described above, by U.S. Mail, postage prepaid.
4. The Company may suspend the communications described above during periods of high call volume resulting from storm restoration or other emergency situations but must resume such communications when call volume subsides.
5. The Company shall maintain on its homepage a clear and obvious link to the webpage containing the Competitive Supplier information.
6. By November 1st of every year, the Company shall provide the Competitive Suppliers with a list of the Bill Insert Months for the following calendar year. Three times per calendar year, the Company shall include in residential and small commercial Customer bills a printed version of the most current information contained on the Competitive Supplier webpage described above.
7. Two times per calendar year, if space is available and during those months when there is no bill insert, the Company shall include on residential and small commercial Customer bills a brief statement that competitive supply offers are available, and provide the telephone number and website address for the webpage containing the Competitive Supplier information.

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11C. Fees

The Company may charge a fee to participating Competitive Suppliers for the incremental costs incurred by the Company in administering the distribution of Electric Offer Information, as approved by the M.D.P.U. This fee is set forth in Appendix A.

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APPENDIX A

SCHEDULE OF FEES AND CHARGES

The following fees and charges shall be a part of the Terms and Conditions for Competitive Suppliers, as appropriate, in accordance with order D.P.U. 17-05 of the Department of Public Utilities (“M.D.P.U.”), which may be updated annually, subject to the approval of the M.D.P.U.

1. Pursuant to Section 11 of the Terms and Conditions for Competitive Suppliers, the Company may assess the following charges to Competitive Suppliers and Competitive REA Suppliers requesting such additional services relating to the provision of Electric Offers:

1A. Administrative Fee

The Company will assess an Administrative Fee of \$20,563 per month. This fee will be allocated equally to each Competitive Supplier who participates in the Electric Offer Information Program (“Program”) in a particular month. The Administrative Fee is designed to recover the administrative costs necessary to implement and administer the Program on an ongoing basis.

1B. Bill Insert Charge

The Company will assess a Bill Insert Charge for the design, printing, shipping and insertion of a bill insert in its bills issued during a billing, on behalf of one or more than one Competitive Supplier. The Bill Insert Charge will range from \$49,276 for a single pane insert to \$79,276 for a triple pane insert. The Bill Insert Charge will be charged to and collected from a Supplier requesting this service prior to the Company providing this service. In the case in which more than one Supplier is requesting this service, the Bill Insert Charge will be allocated equally to each of the Suppliers requesting the service and will be charged to and collected from the group of Suppliers prior to the Company

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providing the service.

1C. Additional Postage Charge

In the event that the bill inserts supplied to customers pursuant to Section 11.B.6 of the Terms and Conditions for Competitive Suppliers cause the Company to incur additional postage to deliver customers' monthly bills in any month that the bill inserts are included in bills, the Company will charge the Supplier requesting this service the Additional Postage Charge for each bill delivered based on the currently effective postage charge as set by the U.S. Postal Service. In the case in which more than one Supplier is requesting this service, the Additional Postage Charge will be allocated proportionally to each of the Suppliers requesting the service, pro rating the costs by the number of offers each Supplier has provided for inclusion in the bill insert, and will be charged to and collected from the group of Suppliers prior to the Company providing the service.

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