

RATES AND TERMS FOR PURCHASES FROM QUALIFYING FACILITIES

Rates per kilowatt-hour of Energy delivered to be paid by the Cooperative under its short-term rate policy for purchases of energy and capacity from Qualifying Facilities ("QF's") under PURPA.

**For QF's directly connected with NHEC's facilities and QF deliveries to the NEPOOL Pool Transmission Facilities ("PTF") for sale to NHEC, the energy rate for each month shall be the monthly average clearing price (arithmetic average of the month's hourly energy clearing prices) for the NEPOOL Real-Time Energy Market as finally determined by ISO-New England.**

1. Short-term purchases shall be subject to written agreement between NHEC and the Qualifying Facility. NHEC requires a minimum 10-business days notice for initiation of purchases.
2. Rates per kilowatt-hour delivered shall be for Energy plus all NEPOOL market products to the extent provided in conjunction with such Energy.
3. Short-term purchases shall be for all-hours for single or multiple full calendar month periods.
4. The QF shall be responsible for transmission service and transmission losses to the NEPOOL PTF.

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Issued by: Heather Kaufman  
Title: Power Resources/Financial Consulting Manager