

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

ORIGINAL	
N.H.P.U.C. Case No.	DG 14-180
Exhibit No.	# 4
Witness	Panel #1
DO NOT REMOVE FROM FILE	

RE: LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY
UTILITIES

DOCKET NO. DG 14-180

Stipulation and Settlement Agreement Regarding Temporary Rates

This Stipulation and Settlement Regarding Temporary Rates (the "Settlement Agreement") is entered into this 4th day of November, 2014 by Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty" or the "Company") and the Staff of the Public Utilities Commission ("Staff") (hereinafter referred to collectively as the "Settling Parties"). This Settlement Agreement resolves all issues regarding Liberty's request for temporary rates in this proceeding.

I. INTRODUCTION

On August 1, 2014, Liberty made a delivery rate filing requesting permission to implement new permanent delivery rates for natural gas service and to implement temporary delivery rates, which was supported by the joint testimony of Steven E. Mullen and Howard S. Gorman regarding temporary rates. The petition for temporary rates requested an increase of \$8,379,060 in annual operating revenues to be effective with service rendered on and after September 1, 2014, which represents a 14.7% increase in distribution revenue and a 5.3% increase in total revenue.

Staff and OCA took discovery on the Company's temporary rate filing, and representatives of the Settling Parties attended a technical session/settlement conference on temporary rates on October 29, 2014. This Settlement Agreement results from those discussions,

and includes an agreement on a total annual temporary distribution service revenue level of \$7,394,075 above the current revenue level effective with service rendered on and after December 1, 2014. Attachment 1 to this Agreement is a Report of Proposed Rate Changes – Temporary Rates showing the revenue impact by class of this Agreement.

II. SETTLEMENT OF TEMPORARY RATE REQUEST

The Settling Parties agree on a temporary annual distribution service revenue increase of \$7,394,075 for the Company as detailed in the schedules contained in Attachment 2 to this Settlement Agreement. The proposed temporary revenue increase will be collected by applying a uniform increase of 13.39% to all of Liberty's current distribution rates and charges and shall take effect for service rendered as of December 1, 2014. The distribution rates resulting from the temporary rate increase is shown on Attachment 3. Annual bill impacts are shown on Attachment 4. The difference in annual distribution revenues between revenues calculated at temporary rates and permanent rates as approved by the Commission will be fully reconciled in accordance with RSA 378:29. Any difference between distribution revenues at permanent rates and distribution revenues at temporary rates shall be reconciled as of November 1, 2014 using the temporary rates implemented pursuant to this agreement that are effective December 1, 2014.

III. MISCELLANEOUS PROVISIONS

The Settling Parties agree to the following miscellaneous provisions:

- a. Binding on Parties.** Each of the Settling Parties agrees to support the terms and conditions contained herein, and understand that this Settlement Agreement is subject to Commission approval. The Settling Parties acknowledge that in reaching this Settlement Agreement, Staff has relied on Liberty's filing, discovery responses, and representations in settlement discussions.

- b. Integrated Terms of Settlement.** This Settlement Agreement represents an integrated resolution of issues concerning Liberty's request for temporary rates. Accordingly, the effectiveness of this Settlement Agreement is conditioned upon the Commission adopting this Settlement Agreement in its entirety, without condition or modification. If the Commission does not approve this Settlement Agreement in its entirety and without modification or condition, any of the Settling Parties shall have an opportunity to amend this Settlement Agreement upon mutual agreement of the Settling Parties, or any party may terminate the Settlement Agreement. If terminated, this Settlement Agreement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or be used for any purpose.
- c. Procedure.** The Settling Parties shall cooperate in submitting this Settlement Agreement promptly to the Commission for approval so that it may be implemented on December 1, 2014. The Settling Parties shall request that the Commission consider this Settlement Agreement at the previously scheduled hearing on the merits to be held November 10, 2014, and shall make a witness or witnesses available as necessary to answer questions in support of this Settlement Agreement, or provide such other support as the Commission requests. The Settling Parties agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Settlement Agreement and to supplement the record accordingly.
- d. No Precedent.** The Settling Parties enter into this Settlement Agreement to avoid further expense, uncertainty and delay in undertaking the permanent rate phase of the case. By executing this Settlement Agreement, neither Liberty nor Staff shall be deemed to have accepted or consented to the facts, principles, methods, or theories employed in arriving at

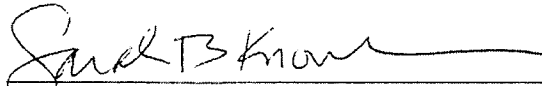
the terms of the Settlement Agreement, and except to the extent expressly set forth herein, the Settling Parties shall not be deemed to have agreed that such a Settlement Agreement is appropriate for resolving any issues in the permanent rate portion of this proceeding or in any other proceeding. Each of the Settling Parties are free to take different positions on any of the issues and/or adjustments included in this temporary rate settlement for purposes of determining permanent distribution rates or in other future proceedings.

- e. **Confidentiality.** This Settlement Agreement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during the course of such negotiations for the purpose of reaching a settlement, shall be privileged and all offers of settlement shall be without prejudice to the position of any party presenting such offer.
- f. **Execution.** This Settlement Agreement may be executed by each of the Settling Parties in several counterparts, through original and/or facsimile signature, and as executed shall constitute one agreement.

WHEREFORE, Liberty and Staff recommend that the Commission issue an order approving the terms and conditions of this Settlement Agreement in its entirety.

Dated: November 4th, 2014

LIBERTY UTILITIES (ENERGYNORTH
NATURAL GAS) CORP. D/B/A LIBERTY
UTILITIES



By its Attorney
Sarah Knowlton

Dated: November 4, 2014

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION



By its Attorney
Michael Sheehan