

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

ENERGY EFFICIENCY PROGRAMS 2015-2016

Docket No. DE 14-216

SETTLEMENT AGREEMENT – 2017 NEW HAMPSHIRE STATEWIDE
ENERGY EFFICIENCY PLAN

This Settlement Agreement relating to the 2017 New Hampshire Statewide Energy Efficiency Plan (the “2017 Plan”) as a continuation of the 2015-2016 Statewide New Hampshire Electric Energy Efficiency Programs and Natural Gas Energy Efficiency Programs (“Energy Efficiency Programs”) is entered into this 12th day of December, 2016, by and among: Liberty Utilities (Granite State Electric) Corp. (“Granite State”); Unitil Energy Systems, Inc. (“UES”); Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”); and the New Hampshire Electric Cooperative, Inc. (“NHEC”) (collectively, the “Electric Utilities”); Liberty Utilities (EnergyNorth Natural Gas) Corp. (“EnergyNorth”) and Northern Utilities, Inc. d/b/a Unitil (“Northern”) (collectively, the “Gas Utilities”) (the Electric Utilities and Gas Utilities are collectively referred to as the “Utilities”); the Staff of the New Hampshire Public Utilities Commission (“Staff”); the Office of the Consumer Advocate (“OCA”); the Department of Environmental Services (“DES”); the Office of Energy and Planning (“OEP”); New Hampshire Community Action Association (“CAA”), Conservation Law Foundation (“CLF”), and The Way Home (“TWH”) (all collectively referred to as the “Settling Parties”), with the intent of resolving the issues discussed herein. This Settlement Agreement constitutes the recommendation of the Settling Parties with respect to the Commission’s approval of the Utilities’ proposed Energy Efficiency Programs for the 2017 program year.

I. INTRODUCTION AND PROCEDURAL HISTORY

On December 24, 2015, the Commission issued Order No. 25,856 in this docket approving a settlement agreement relative to the proposed Energy Efficiency Programs for the 2016 program year. On August 2, 2016 in Docket No. DE 15-137, the Commission issued Order No. 25,932 approving a settlement agreement to implement an Energy Efficiency Resource Standard (“EERS”) in New Hampshire beginning on January 1, 2018 (the “EERS Settlement”). To provide a bridge between the end of the existing Energy Efficiency Programs under the 2015-2016 plans, and the start of the EERS in 2018, the EERS Settlement agreement called for the continuation of the Energy Efficiency Programs in 2017, subject to certain modifications.

Consistent with the EERS Settlement agreement and Order No. 25,932, on September 23, 2016, the Utilities filed the 2017 Plan in the instant docket, which continues and expands upon the Energy Efficiency Programs in 2017. Moreover, the 2017 Plan, as filed, introduced some program changes for 2017 in preparation for the implementation of the EERS and it includes the implementation of a lost base revenue (“LBR”) mechanism for the Utilities (excluding NHEC) along with modifications to the performance incentive levels. On September 30, 2016 the Commission issued Order No. 25,948 suspending the tariffs included with the filing and otherwise commencing the docket.

The parties engaged in discovery on the proposed 2017 Plan and on November 8, 2016, the Commission Staff submitted the testimony of James J. Cunningham, Jr. and Elizabeth R. Nixon in response to the 2017 Plan proposal. No other parties filed testimony. Following the submission of testimony, the Settling Parties entered into discussions resulting in this Settlement Agreement relative to the 2017 Plan.

II. SETTLEMENT TERMS

A. The Settling Parties agree that the 2017 Plan as filed on September 23, 2016, and as modified by this Settlement Agreement, should be approved by the Commission. This recommendation includes the recommended approval of the rates, charges, and underlying calculations as proposed in the 2017 Plan relative to the LBR, performance incentives, and the System Benefits Charge (“SBC”), subject to future reconciliation as called for in the EERS Settlement approved in Order No. 25,932. The Settling Parties include as Attachment A to this Settlement Agreement those pages from the 2017 Plan that have changed as a result of this Settlement Agreement accompanied by a table describing the changes. Attachment B to this Settlement Agreement contains the revised 2017 Plan with all agreed upon changes incorporated therein.

B. With respect to the specific recommendations included in the testimony of Staff witness Mr. Cunningham, the Settling Parties agree that the following recommendations be adopted and approved as described herein:

1. The LBR calculation for Liberty Utilities (Energy North) at Bates 159 and Northern at Bates page 208 of the 2017 Plan shall be modified and expanded to include estimated information for the months of November and December, 2017. A modified and expanded version of these schedules is included in Attachment B as Attachment OG-1 for Liberty Utilities (Energy North) and Attachment RG-1 for Northern.

2. The “Average Distribution Rate for Lost Revenue” calculations to be submitted in June, 2018 relating to LBR collection and reconciliation for 2017 shall follow the format used by UES in the 2017 Plan filing at Bates page 182. Such calculations will also include all supporting workpapers and a detailed description of how the “Average Distribution

Rate for Lost Revenue” was calculated, including information on the inclusion or exclusion of relevant inputs such as customer charges, meter charges, or outdoor lighting services, as applicable. The billing determinants in such calculation shall be based on 2017 data and the applicable rates will reflect the rates in effect throughout 2017.

3. The 2017 LBR calculation and reconciliation submitted in June 2018 will reflect, as applicable, the retirements of any 2017 installed measures.

4. Deferred taxes shall not be reflected in the calculation of over and under recovery of costs associated with programs approved pursuant the 2017 Plan. To reflect the exclusion of deferred taxes, Attachment B contains modified versions of Bates pages 129 and 132 for Granite State and pages 169 and 172 for Eversource as Attachment O and Attachment Q, respectively.

III. RESERVATION OF RIGHTS

The Settling Parties agree that the terms of this Settlement Agreement are not intended to limit or waive any rights that they may have associated with other Commission proceedings, including those relating to the EERS Settlement in Docket No. DE 15-137.

IV. GENERAL PROVISIONS

Settling Parties agree that all testimony and supporting documentation should be admitted as full exhibits for purposes of consideration of this Settlement Agreement. Agreement to admit all direct testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony filed on behalf of any party is accurate nor is it indicative of what weight, if any, should be given to the views of any witness. Furthermore, in light of the

fact that they have entered into this Settlement Agreement, the Settling Parties have agreed to forego cross-examining witnesses regarding their pre-filed testimony and, therefore, the admission into evidence of any witness's testimony or supporting documentation shall not be deemed in any respect to constitute an admission by any party to this Settlement Agreement that any allegation or contention in this proceeding is true or false, except that the sworn testimony of any witness shall constitute an admission by such witness.

This Settlement Agreement is expressly conditioned upon the Commission's acceptance of all of its provisions without change or condition. If such acceptance is not granted, the Settlement Agreement shall be deemed to be null and void and without effect, and shall not constitute any part of the record in this proceeding nor be used for any other purpose. The Settling Parties agree to support approval of this Settlement Agreement before the Commission, and the Settling Parties shall not oppose this Settlement Agreement before any regulatory agencies or courts before which this matter is brought.

The Commission's acceptance of this Settlement Agreement does not constitute continuing approval of or precedent regarding any particular issue in this proceeding, but such acceptance does constitute a determination that, as the Settling Parties believe, the provisions set forth herein are just and reasonable. The discussions which have produced this Settlement Agreement have been conducted on the understanding that all offers of settlement and discussion relating thereto are and shall be privileged, and shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any further proceeding or otherwise.

IN WITNESS WHEREOF, the Settling Parties have caused this Settlement Agreement to be duly executed in their respective names by their agents, each being fully authorized to do so on behalf of their principal.

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.
D/B/A LIBERTY UTILITIES

By: Michael Sheehan
Michael Sheehan, Esq.
Senior Counsel

Date: 12-9-16

NEW HAMPSHIRE ELECTRIC COOPERATIVE

By: _____
Mark Dean, Esq.

Date: _____

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

By: _____
Matthew Fossum, Esq.
Senior Counsel

Date: _____

UNITIL ENERGY SYSTEMS, INC.

By: _____
Patrick Taylor, Esq.
Senior Counsel

Date: _____

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

By: Michael Sheehan
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NORTHERN UTILITIES, INC.
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Patrick Taylor, Esq.
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

By:  _____
Matthew Fossum, Esq.
Senior Counsel

Date: December 12, 2016

UNITIL ENERGY SYSTEMS, INC.

By: _____
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Senior Counsel

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Patrick Taylor, Esq.
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STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

By: Paul B. Dexter
Paul Dexter, Esq.
Staff Attorney

Date: 12/12/16

THE OFFICE OF THE CONSUMER ADVOCATE

By: _____
D. Maurice Kreis, Esq.
Consumer Advocate

Date: _____

NEW HAMPSHIRE COMMUNITY
ACTION ASSOCIATION

By: _____
Ryan Clouthier
Energy Director

Date: _____

OFFICE OF ENERGY AND PLANNING

By: _____
Amanda Merrill
Director

Date: _____

DEPARTMENT OF ENVIRONMENTAL SERVICES

By: _____
Rebecca Ohler
Administrator, Technical Services Bureau
Air Resources Division


Date: _____

STAFF OF THE NEW HAMPSHIRE
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Ryan Clouthier
Energy Director

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OFFICE OF ENERGY AND PLANNING

By: 
Amanda Merrill *Richard A. Minard Jr.*
Director *for Amanda Merrill*

Date: Dec. 12, 2016

DEPARTMENT OF ENVIRONMENTAL SERVICES

By: _____
Rebecca Ohler
Administrator, Technical Services Bureau
Air Resources Division

Date: _____

STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

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Staff Attorney

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Amanda Merrill
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Date: _____

DEPARTMENT OF ENVIRONMENTAL SERVICES

By: Rebecca S. Ohler
Rebecca Ohler
Administrator, Technical Services Bureau
Air Resources Division

Date: 12/12/16

THE WAY HOME

By: 

New Hampshire Legal Assistance
Dennis Labbe, Esq.

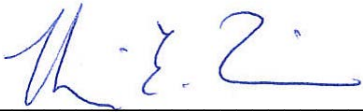
Date: 12/12/2016

THE WAY HOME

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Date: _____

CONSERVATION LAW FOUNDATION

By:  _____
Melissa Birchard, Esq.
Staff Attorney

Date: December 12, 2016