

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY**

DE 15-248

2015 Least Cost Integrated Resource Plan

SETTLEMENT AGREEMENT

This Settlement Agreement concerning Least Cost Integrated Resource Planning (Settlement Agreement) is entered into this day by and between Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), and the Staff of the Public Utilities Commission (Staff), together the Settling Parties, and is intended to resolve all outstanding issues in the above-captioned docket.

I. INTRODUCTION AND PROCEDURAL HISTORY

On June 19, 2015, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed its 2015 Least Cost Integrated Resource Plan (LCIRP) in accordance with RSA 378:38. Pursuant to a settlement agreement approved by the Commission in Eversource's 2013 LCIRP filing in Order No. 24,659 (May 1, 2014), as clarified by Order No. 25,676 (June 12, 2015), Eversource's filing was limited to its distribution and transmission planning.

The filing describes Eversource's planning for its distribution system, and specifically its: operation and maintenance of its poles and wires; services for connecting new customers; planning for and construction of distribution plant to meet customers' peak demand requirements; and offering of energy efficiency and demand side management opportunities to all of its distribution customers. It also describes Eversource's system peak load forecasting methodology and how the forecast is used to assess future distribution system needs.

In addition to describing its distribution and transmission planning, this filing provides additional information explaining how Eversource integrates least cost objectives into its planning and updates Eversource's assessments of demand-side energy management programs. Pursuant to the 2013 Settlement Agreement, Eversource provided information relating to "smart grid" benefits, focused on the integration of distribution automation.

On June 25, 2015, the Office of Consumer Advocate (OCA) filed a letter notifying the Commission of its participation in this docket on behalf of residential ratepayers pursuant to RSA 363:28. The Office of Energy and Planning (OEP) filed a motion to intervene on August 4, 2015, which was granted by the Commission at the prehearing conference.

The Commission issued an Order of Notice on July 14, 2015 scheduling a prehearing conference on August 6, 2015. A technical session followed, and Staff filed a proposed procedural schedule that approved by the Commission on August 11, 2015.

Differences to the scope of the LCIRP arose during discovery. On August 28, 2015, Eversource filed a motion requesting the Commission clarify the scope of the proceeding, waive certain statutory requirements for its LCIRP, and stay the proceeding pending the Commission's resolution of these requests. The Commission suspended the procedural schedule on September 11, 2015.

On October 19, 2015, the Commission issued Order No. 25,828 clarifying the Commission's decision in Order No. 25,676 that waived certain requirements for Eversource's 2015 LCIRP, and other requirements included in the 2014 amendments to the LCIRP statute. Order No. 25,828 affirmed the Commission's waiver of the requirement that the plan include a description of planning for supply or supply diversity of planning for energy efficiency and grid modernization that the Commission is investigating in Docket Nos. DE 15-137 and IR 15-296,

respectively. The Commission confirmed that Eversource's 2015 LCIRP would be limited to a forecast of demand, an assessment of demand side-energy management, smart grid, and an "updated assessment of demand-side energy management programs, including conservation, efficiency improvement, and load management programs." Order No. 25,659 at 7.

Eversource, the OEP and Staff held a technical session on January 20, 2016 pursuant to a secretarial letter issued by the Commission. Thereafter, the Staff proposed settlement of the matters in issue related to Eversource's 2015 LCIRP filing. Although the OEP and the OCA participated in settlement discussions, both declined to sign the Settlement Agreement.

II. TERMS OF SETTLEMENT

The Settling Parties recommend that the Commission accept Eversource's 2015 LCIRP as adequate. With respect to the next Eversource LCIRP, the Settling Parties agree that Eversource should prepare an LCIRP which contains a full evaluation of all elements of RSA 378:38, including a full analysis of how to maximize the use of cost-effective energy efficiency and other demand resources (RSA 378:37), and consideration of promoting fuel diversity in addition to the information required for Eversource's 2013 LCIRP filing by Order No. 25,659. More specifically, the Settling Parties agree that Eversource's next LCIRP shall include the elements required by RSA 378:38, to the extent they are not waived by the Commission, and that the LCIRP must contain sufficient detail to provide the Commission an understanding of what options have equivalent financial costs, equivalent reliability, and equivalent environmental, economic and health-related impacts, so that the Commission may evaluate the options according to the criteria listed in RSA 378:39, I – III, as appropriate.

To facilitate evaluation of the adequacy of the next LCIRP, in addition to the information described in the immediately preceding paragraph, Eversource shall include in its next LCIRP filing the following items:

- Eversource – UES joint recommendations.
- Eversource – NHEC joint recommendations.
- The most recent organization chart for relating to the operations, planning, and engineering functions supporting Eversource’s New Hampshire activities. The chart shall include, but not necessarily be limited to, those at the manager level and above.
- An updated crew complement report for the previous three years similar to the report submitted in IR 15-047 Staff 3-002, page 2 of 2 dated June 18, 2015. The crew complement report shall include bucket crews, digger crews and Troubleshooters assigned to each area work center in all five regions of the Company.
- A discussion of targeted energy efficiency solutions for proposed projects for 4 & 12 kV substations’ due to loading.
- An update to the Distribution Automation (DA) Plan referred to at pages 14-18 of Eversource’s 2015 LCIRP submission in Docket No. DE 15-248.
- An update on the Company’s Customer Engagement Platform (CEP) program.
- An updated report regarding the recertification of customers on its controlled water heating and load controlled service rates (HEATSMART).
- The most recent list of proposed capital projects presented to local management during the most recent planning session in a format similar to that provided in confidential discovery request Staff 1-022, pages 2 through 8 dated August 18, 2015 in Docket No. DE 15-248.

- Detail regarding the steps taken through each stage of the Planning Process Flow for each of the three highest-cost distribution capital projects with a status of In Service, Under Construction, or Planned, within the prior two years. Include the comprehensive area study which was performed to ensure that the best, most cost effective solution was chosen and that the following components were considered: net present value; peak demand effectiveness; reliability; power quality; environmental impact; system losses; operating costs; and contingency effectiveness. Include the list of alternatives considered, such as elements of transmission, substation, distribution line, conservation & load management and/or distributed generation.

Eversource may request confidential treatment of any portion of its filing that contains confidential proprietary or financial information as defined in RSA 91-A:5, IV.

III. GENERAL PROVISIONS

3.1 This Settlement Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept this Settlement Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Settlement Agreement, and any of the Settling Parties is unable to agree with the changes, conditions or findings, this Settlement Agreement shall be deemed to be withdrawn and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose.

3.2 Under this Settlement Agreement, the Settling Parties agree to this joint submission to the Commission, which represents a compromise and liquidation of all issues in this proceeding.

3.3 The Settling Parties agree that the Commission's acceptance of this Settlement Agreement does not constitute continuing approval of, or precedent for, any particular issue in this proceeding. Acceptance of this Settlement Agreement by the Commission shall not be deemed to constrain the Commission's exercise of its authority to promulgate future orders, regulations or rules that resolve similar matters affecting other parties in a different fashion.

3.4 The resolution of any specific issue in this Settlement Agreement does not indicate the Settling Parties' agreement to such resolution for purposes of any future proceedings.

3.5 The rights conferred and the obligations imposed on the Settling Parties by this Settlement Agreement shall be binding on or inure to the benefit of any successors in interest or assignees as if such successor or assignee was itself a signatory party. The Settling Parties agree to cooperate in advocating that this Settlement Agreement be approved by the Commission in its entirety and without modification.

3.6 This Settlement Agreement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during 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.

3.7 This Settlement Agreement may be executed in multiple counterparts, which together shall constitute one agreement.

IV. CONCLUSION

The Settling Parties affirm that the proposed Settlement Agreement is reasonable, and consistent with the public interest and the requirements of RSA 378:38 and Orders No. 25,828 and 25,659.

Staff of the Public Utilities Commission

Date: *January 23, 2017*

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Public Service Company of N.H. d/b/a Eversource Energy

Date: *January 20, 2017*

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