

State of New Hampshire
Public Utilities Commission

Docket No. DG 17-152

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
Least Cost Integrated Resource Plan

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement”) is entered into this 19th day of July, 2022, by and among Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a Liberty (“Liberty” or the “Company”), the Office of the Consumer Advocate (“OCA”), and the Department of Energy (“DOE”) (together, the “Settling Parties”).

This Settlement Agreement resolves all issues among the Settling Parties regarding the Company’s 2017 Least Cost Integrated Resource Plan (“LCIRP”) in Docket No. DG 17-152.

SECTION 1. INTRODUCTION AND PROCEDURAL HISTORY

1.1 On October 2, 2017, the Company filed its LCIRP for the planning period that spanned the 2017/2018 winter through the 2021-2022 season.

1.2 The Commission issued an Order of Notice on February 8, 2018, scheduling a March 9, 2018, prehearing conference and establishing deadlines for intervention. The OCA filed its letter of participation. CLF, PLAN, and Clark sought intervention. Commission Staff (now DOE) also participated.

1.3 Following the prehearing conference, the Commission granted the intervention requests and approved an initial procedural schedule that called for hearings in January 2019.

1.4 In May 2018 Clark filed a motion to dismiss, arguing, among other things, that the LCIRP failed to satisfy the requirements of RSA 378:37. Liberty objected.

1.5 The Commission denied Clark's motion in Order No. 26,225 (Mar. 13, 2019), and directed Liberty to "submit a supplemental filing to address each of the specific elements required under RSA 378:38 and RSA 378:39 that are not already addressed in its LCIRP with adequate sufficiency to permit the Commission's assessment of potential environmental, economic, and health-related impacts of each option proposed in the LCIRP." *Id.* at 1. Liberty made the supplemental filing on April 30, 2019.

1.6 CLF and Clark filed motions arguing that Liberty's supplemental filing was insufficient, Liberty objected, and the parties held a May 23 technical conference at which the adequacy of Liberty's supplemental filing was discussed. Liberty agreed to make a second supplemental filing on June 28, 2019.

1.7 After the second supplemental filing, Clark filed a motion to strike the LCIRP and CLF filed a motion to find the LCIRP non-compliant. The Commission denied those motions in Order No. 26,286 (Aug. 12, 2019).

1.8 DOE, CLF, and Clark filed testimony on September 9, 2019. Liberty filed rebuttal testimony on October 25, 2019. After being notified of developments in the Granite Bridge

docket,¹ the Commission granted Liberty's motion to suspend the procedural schedule in this docket by a December 2, 2019, secretarial letter with the requirement that Liberty make periodic status reports. Liberty filed the required status reports through May 2020. A technical session was held on June 3, 2020.

1.9 No further substantive action has occurred in the docket until the Commission's March 16, 2022, procedural order inviting parties to file summaries of their positions and any additional filings by June 1, 2022, and scheduling the June 21, 2022, status conference.

SECTION 2. SETTLEMENT TERMS

2.1 These terms are intended to be included in a comprehensive settlement and thus all terms are interdependent and each Settling Party's agreement to each individual term is dependent on agreement with all other terms.

2.2 Without taking a position as to LCIRP's compliance with RSA 378:37-39, the Settling Parties recommend that the Commission approve Liberty's 2017-2022 LCIRP and do so without making any specific findings as to the LCIRP's compliance with the specific provisions of RSA 378:38 or :39.

2.3 The Settling Parties agree that in addition to the statutory requirements of RSA 378:37-39, Liberty's next LCIRP shall meet the following recommendations:

- Recommendation 1: Evaluate energy efficiency as a potential resource alternative, incremental to any customer-funded programs offered via NHSaves and look for opportunities for Commercial and Industrial customer fuel switching.

¹ The development in the Granite Bridge docket was the negotiations with Tennessee Gas Pipeline, LLC for a new capacity contract, which the Company signed in 2020 and which the Commission approved in Docket No. DG 21-008. Order No. 26,551 (Nov. 12, 2021).

- Recommendation 2: Evaluate renewable natural gas (RNG) and other non-fossil fuels as alternatives to traditional fossil fuel-based supply and to explore Certified Gas, which is natural gas that has been certified to have been produced with low emissions.
- Recommendation 3: Evaluate ways to optimize existing pipeline capacity.
- Recommendation 4: Assess resources in terms of environmental impacts by documenting the greenhouse gas impacts of evaluated resources in terms of emissions (MMT CO₂e) created or avoided.
- Recommendation 5: Assess public health impacts in terms of the health effects of local air quality (AQ) impacts of evaluated resources by documenting sulfur oxides (SO_x), nitrous oxides (NO_x), and particulate matter (PM_{2.5}) emissions, projecting health impacts.
- Recommendation 6: Assess economic development impacts by estimating direct, indirect and induced jobs created from a resource and the associated economic development impact.
- Recommendation 7: Expand evaluation methods to include review of environmental, public health, and economic development impacts of resource alternatives.
- Recommendation 8: When assessing resource alternatives, identify opportunities to incorporate Non-Pipeline Alternatives that could avoid or defer reinforcements costs associated with distribution system infrastructure and seek to incorporate such opportunities as resource options are developed.
- Recommendation 9: Incorporate new material relating to the recommendations listed above into Liberty's LCIRP document in a logical manner and look for opportunities to label narrative sections to more clearly guide the reader.

2.4 The Settling Parties agree to convene meetings among themselves and other interested stakeholders by September 15, 2022, to consider recommendations regarding the monetary values of the impacts referenced above (e.g., SO_x, NO_x, etc.) that the Commission may use when

assessing the potential environmental, economic, and health-related impacts of each proposed option within Liberty's LCIRP.

2.5 The Settling Parties agree that for Liberty's next LCIRP, in relying on the guidance on Recommendations 4 and 5 (referenced in Section 2.3 of this Agreement), when assessing the environmental and public health impacts of its preferred resource alternative, Liberty shall compare such impacts to the impacts from (1) a status quo alternative of continued reliance on heating oil and/or propane to serve Liberty's customer's needs; (2) an enhanced energy efficiency alternative; and (3) any RNG and/or Certified Gas alternative contemplated as part of Recommendation 2 (referenced in Section 2.3).

2.6 For Liberty's next LCIRP filing, the Settling Parties shall propose to the Commission a procedural and hearing schedule whereby the hearing on the LCIRP would occur within one year of Liberty's filing of the LCIRP.

2.7 The Settling Parties agree that good cause exists for the Commission to extend the deadline for Liberty's next LCIRP pursuant to RSA 378:38-a, to be filed consistent with the terms of this Settlement Agreement, until the earlier of either (1) six months after the Commission issues an order on the merits in this docket, or (2) six months following the October 2, 2022 deadline for filing Liberty's next LCIRP, and that the Settling Parties support Liberty's request for such an extension.

SECTION 3. 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 notify the Commission within five business days of their disagreement with any such changes, conditions, or findings, the Agreement shall be deemed to be withdrawn, in which event it shall be deemed to be null and void and without effect, shall not constitute any part of the record in this proceeding, and shall not be relied on by any party to this proceeding or by the Commission for any other purpose.

3.2 The Settling Parties agree that the Commission's approval of this Settlement Agreement shall not constitute continuing approval of, or precedent for, any particular principle or issue, but such acceptance does constitute a determination that the terms of this agreement are just and reasonable and consistent with the public interest.

3.3 This Settlement Agreement shall not be deemed an admission by any of the Settling Parties that any allegation or contention in this proceeding by any other party, other than those specifically agreed to here, is true and valid. This Settlement Agreement shall not be construed to represent any concession by any Settling Party regarding positions taken with respect to the Company's proposals in this docket, nor shall this Settlement Agreement be deemed to foreclose any Settling Party in the future from taking any position in any subsequent proceedings.

3.4 The pre-filed testimony and supporting documentation previously provided in this proceeding are not expected to be subject to cross-examination by the Settling Parties, which would normally occur in a fully litigated case. The Settling Parties agree that all such pre-filed testimony and supporting documentation should be admitted as full exhibits for the purpose of consideration of this Settlement Agreement and be given whatever weight the Commission deems appropriate. Consent by the Settling Parties to admit all such pre-filed testimony without challenge

does not constitute agreement by any of the Settling Parties that the content of the pre-filed testimony is accurate or that the views of the witnesses should be assigned any particular weight by the Commission. 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, nor does the reference to any other document bind the Settling Parties to the contents of, or recommendations in, that document for purposes of any future proceeding. The Commission's approval of the recommendations in this Settlement Agreement shall not constitute a determination or precedent with regard to any specific issue, but rather shall constitute only a determination that terms of this Settlement Agreement are just and reasonable. The Settling Parties agree 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 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

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 were 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 The discussions that produced this Settlement Agreement have been conducted on the understanding that all offers of settlement and settlement discussions relating to this docket shall be confidential, shall not be admissible as evidence in this proceeding, 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 connection with any future proceeding or otherwise. 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 by facsimile and in multiple counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

SECTION 4. CONCLUSION

4.1 The Settling Parties affirm that the proposed Settlement Agreement is just, reasonable, in the public interest, and should be approved by the Commission.

Dated: July __, 2022

Liberty Utilities (EnergyNorth Natural Gas) Corp.
d/b/a Liberty

By its Attorney, Michael J. Sheehan

Dated: July 19, 2022

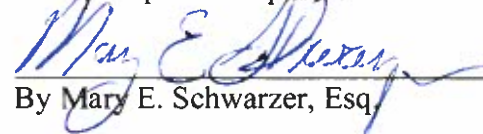
Office of the Consumer Advocate



By the Consumer Advocate, Donald M. Kreis

Dated: July __, 2022

New Hampshire Department of Energy



By Mary E. Schwarzer, Esq.