

DG 19-116

SETTLEMENT AGREEMENT

EXHIBIT A

REDACTED

**Northern Utilities d/b/a Unitil
Department of Public Utilities
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III
Staff Discovery Requests - Set 4/TS**

Request No. Staff 4-2:

Please provide a timeline for the PNGTS, TransCanada, and Enbridge agreements that includes:

- a. Decision points for the pipeline;
- b. Decisions points for shippers;
- c. Decision points for Northern; and
- d. Financial consequences related to each decision point.

Please create a single timeline that indicates a, b, and c, in addition to separate timelines for each of the three agreements.

REDACTED Response:

- a. Please refer to CONFIDENTIAL Staff 4-2 Attachment. The Attachment provides a consolidated summary of the exposure schedules for each of the three Precedent Agreements along with a separate timeline of events, decision points and financial consequences for each Precedent Agreement.

■ Northern does not have definitive information regarding other shippers. On the Enbridge project, [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL]

- c. Please see response to part a.
- d. Please refer to CONFIDENTIAL Staff 4-2 Attachment. Decision points identified in the timeline for each Precedent Agreement can be referenced to the consolidated summary of exposure to identify the estimated financial consequences.

Person Responsible: Robert S. Furino

Date: Sept. 3, 2019

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 UPDATED

Estimate of Cumulative WXP III Contracts Cancellation / Pre-Service Cost Exposure to Northern (\$000)

Quarter	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Date	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22

Enbridge (\$CN) ¹	[REDACTED]															
TransCanada (\$CN) ²	[REDACTED]															

Enbridge (\$US) ³	[REDACTED]															
TransCanada (\$US) ³	[REDACTED]															
PNGTS (\$US) ⁴	[REDACTED]															

Cumulative Exposure (\$US)	[REDACTED]															
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Enbridge, TransCanada Exposure (\$US)	[REDACTED]															
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1/ As of July 2019
 2/ As of September 2019
 3/ Assumes 0.7501 \$CA to \$US exchange rate.
 4/ As of August 2019

REDACTED

Estimate of Cumulative WXP III Contracts Cancellation / Pre-Service Cost Exposure to Northern (\$000)

Quarter	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Date	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22

Enbridge (\$CN) ¹	[REDACTED]															
TransCanada (\$CN) ²	[REDACTED]															

Enbridge (\$US) ³	[REDACTED]															
TransCanada (\$US) ³	[REDACTED]															
PNGTS (\$US) ⁴	[REDACTED]															

Cumulative Exposure (\$US)	[REDACTED]															
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Enbridge, TransCanada Exposure (\$US)	[REDACTED]															
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- 1/ As of July 2019
- 2/ As of February 2019
- 3/ Assumes 0.7501 \$CA to \$US exchange rate.
- 4/ As of August 2019

REDACTED

Enbridge Precedent Agreement Timeline

Indicates Northern's Decision

Indicates Enbridge's Decision

Quarter	Date	Event	Decision	Financial Consequence if Terminated	Status	Reference
[REDACTED]						

CONFIDENTIAL

TransCanada Precedent Agreement Timeline

Indicates Northern's Decision

Indicates TransCanada's Decision

Quarter	Date	Event	Decision	Financial Consequence if Terminated	Status	Reference

PNGTS Precedent Agreement Timeline

Indicates Northern's Decision
Indicates PNGTS' Decision

Quarter	Date	Event	Decision	Financial Consequence if Terminated	Status	Reference

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Request No. Staff 4-3:

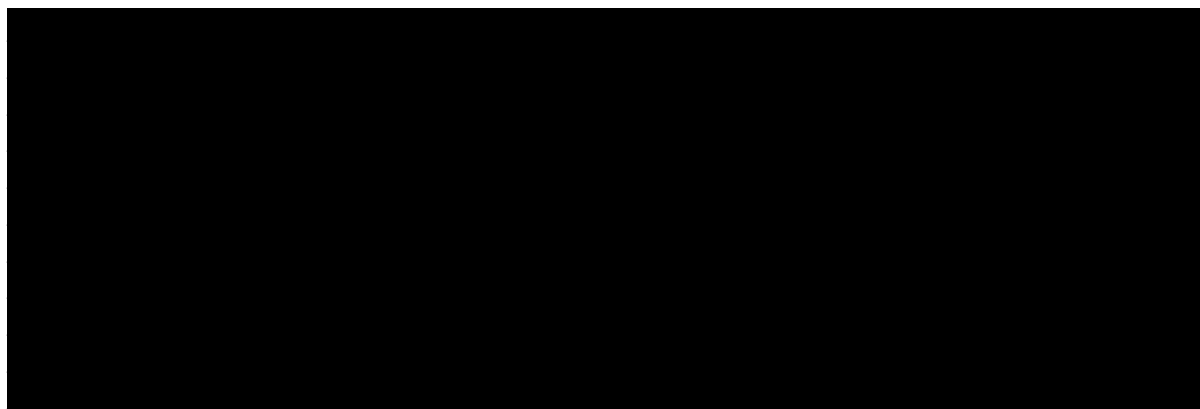
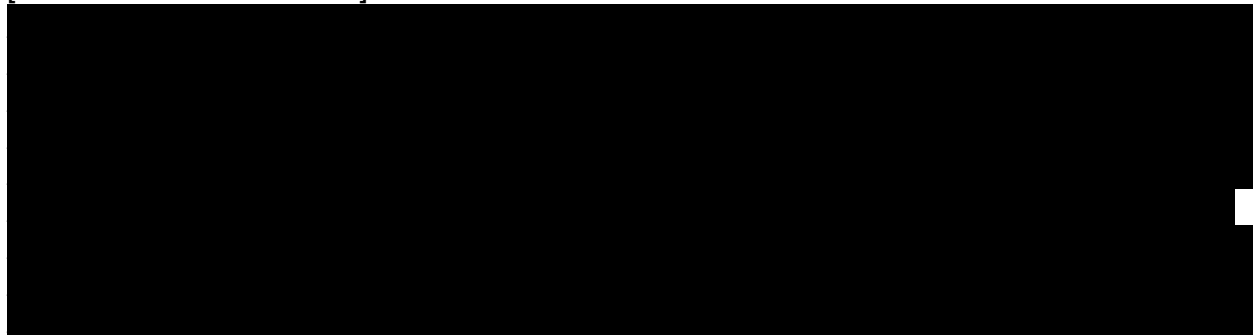
For each decision point, please provide a decision tree that includes a best estimate of the probability of each outcome, resource plans, and costs.

REDACTED Response:

Although each of the three precedent agreements have different terms, timing of decision points and financial consequences, Northern would take into account the combined impacts and future mitigation opportunities, as well as prospects for future projects to add or replace any planned capacity that may not be built under the proposed agreements when making decisions. The comments below reflect the Company's current approach given its understanding of the status of each project and the structure of the agreements. The Company will adapt its approach as it deems appropriate as the approval processes and project development move forward.

Enbridge

[BEGIN CONFIDENTIAL]



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[REDACTED]

[REDACTED]

[REDACTED] [END

CONFIDENTIAL]

TransCanada

[BEGIN CONFIDENTIAL]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

PNGTS

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

Summary

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

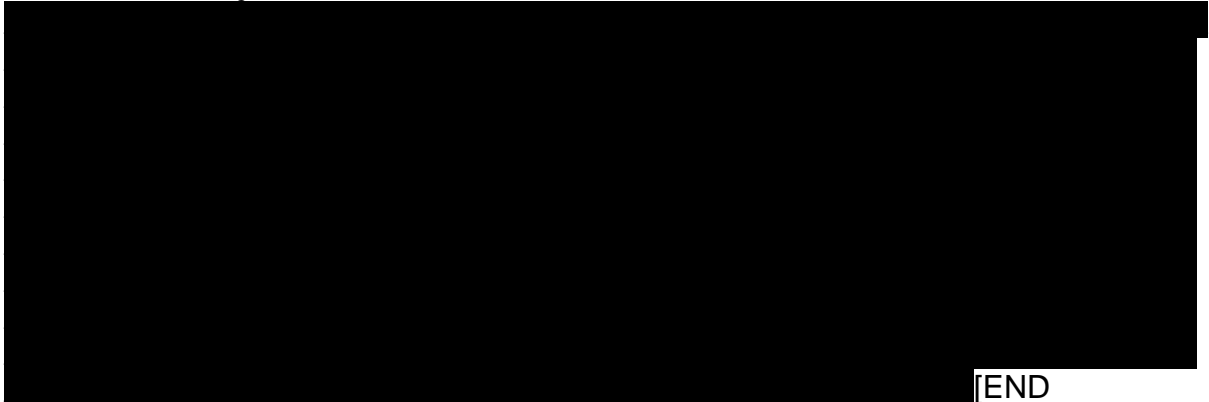
1

[REDACTED]

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[END

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Lastly, regular communication with the pipelines regarding their respective efforts to obtain regulatory approval and land use permits, as well as to obtain updated cost estimates, will be a key aspect of Northern's ongoing management of the Precedent Agreements.

Person Responsible: Robert S. Furino

Date: Sept. 3, 2019

