

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Docket No. DE 19-120

2019 Least Cost Integrated Resource Plan

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into this 23rd day of June 2020, by and among Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (“Liberty” or the “Company”), and the Office of Consumer Advocate (“OCA”), the City of Lebanon (“City”), and the Staff of the New Hampshire Public Utilities Commission (“Staff”) (collectively, the “Settling Parties”) and is intended to resolve all outstanding issues relative to the July 15, 2019 filing of Liberty in the instant docket and Liberty’s compliance with Order No. 26,261, issued on June 14, 2019 in Docket No. DE 16-097. This Agreement constitutes the recommendation of the Settling Parties.

I. INTRODUCTION AND PROCEDURAL HISTORY

On January 15, 2016, Liberty submitted its 2016 Least Cost Integrated Resource Plan (“LCIRP”) as required by RSA 378:38 and Order No. 25,625 (January 27, 2014) (the “2016 Plan”). Ultimately, the 2016 LCIRP was approved by the Commission in Order No. 26,039 (July 10, 2017). That Order provided, in relevant part, that at the time it filed its next LCIRP, Liberty would provide the information required by RSA 378:38, as well as additional information relating to standard operating procedures.

Pursuant to RSA 378:38, “each electric and natural gas utility, under RSA 362:2, shall file a least cost integrated resource plan with the commission within 2 years of the commission’s final order regarding the utility’s prior plan, and in all cases within 5 years of the filing date of the prior plan.” The 2016 Plan filing was approved by the Commission on July 10, 2017, and Order No. 26,039 provided that Liberty’s next LCIRP would be due within approximately 2 years of that date, or July 1, 2019.

On February 12, 2019, the Commission Staff submitted its recommendation on grid modernization in Docket No. IR 15-296. Among other things, the Staff’s recommendation proposed that the LCIRP be replaced by a new submission, an Integrated Distribution Plan or IDP, and that utilities request waivers of the LCIRP filing requirements in light of the new IDP. *See* February 12, 2019 Staff Recommendation in Docket No. IR 15-296 at 67.

In view of the above recommendation, on April 15, 2019, Liberty filed a motion seeking a waiver of the requirement to make an LCIRP filing by July 1, 2019. On June 14, 2019, the Commission issued Order No. 26,261 in Docket No. DE 16-097 and partially granted the waiver requested by Liberty. In granting the waiver the Commission ordered that Liberty make what it described as “a more limited filing” on or before July 15, 2019, and that the “purpose of that filing will be to ensure that Liberty is adhering to the commitments made in its prior approved LCIRP.” *Id.* at 6. Specifically, the Commission ordered:

Our prior approval of Liberty’s 2016 LCIRP contained a number of specific deliverables and we will require updates of those no later than August 25, as listed below:

- Confirmation that the utility is currently following the process of system planning using established procedures, criteria, and policies outlined in its 2016 LCIRP, and achieving the objectives included its 2016 LCIRP; and
- Copies of adopted standard operating procedures for employees and managers integrating day-to-day and long-term planning consistent with the Company’s objectives of Least Cost Planning

Id.

On July 15, 2019, Liberty made the filing specified by Order No. 26,261. Following a prehearing conference and technical session on September 25, 2019, the Settling Parties engaged in several rounds of discovery and on January 23, 2020, the Staff filed the testimony of Kurt Demmer. Thereafter, the Settling Parties engaged in settlement discussions that have culminated with this Agreement.

II. SETTLEMENT TERMS

The Settling Parties agree that the Settlement Agreement as described below should be approved by the Commission. These terms are intended to be included in a comprehensive settlement and, as such, all terms are interdependent, and each Settling Party's agreement to each individual term is dependent upon agreement with all of the terms.

A. Compliance with Order No. 26,261

The Settling Parties agree that Liberty complied with the requirements of the waiver granted in Order No. 26,262 and that its submission is sufficient to meet the requirements of the relevant commission orders. The Settling Parties recommend that the Commission accept Liberty's July 15, 2019 filing as sufficient and compliant.

B. Resolution of Planning Criteria Disagreement

The Settling Parties acknowledge that any disagreements between the parties relating to the Company's planning criteria are resolved by the settlement of the parties filed in Docket No. DE 19-064 on May 26, 2020, should the Commission approve that settlement.

C. Access to Company Manuals Site

The Company commits to working with Staff to provide access to the distribution electric operating procedures through the Liberty Utilities – Manuals site.

D. 2021 LCIRP Filing Requirements

As part of this Agreement,¹ Liberty agrees that it will meet certain specifications for its next LCIRP submission relating to non-wire solutions (“NWS”), as described below. The settling parties agree that the specifications for the January 2021 LCIRP outlined below shall supplement, rather than displace, any existing guidance provided by the Commission regarding the 2021 LCIRP.

Prior to the filing of the LCIRP, the company shall develop a list of planned capital projects that may be candidates for avoidance and/or deferral through deployment of NWS. Once the NWS candidates are initially identified by Liberty, the Company agrees to meet with the Settling Parties to identify an NWS candidate that should be the focus of a more detailed analysis provided within the LCIRP filing. This analysis of NWS should consider utility system benefits including, but not limited to, avoided distribution capacity costs, avoided energy costs, and avoided transmission costs. The analysis shall include an evaluation of the demand reduction potential associated with energy efficiency and load curtailment, as well as other NWSs. In the event the Company cannot complete this detailed analysis prior to filing the 2021 LCIRP, the Company shall be permitted an opportunity to supplement its LCIRP with the detailed analysis when completed, but no longer than six months after filing its initial LCIRP.

The LCIRP will also include a document similar to Sections 4.4 (“Distribution Planning Process”) and 5 (“Non-Wires Alternatives T&D Integration Process”), and Appendix E (“Hypothetical Case Study: Evaluation of Non-Wires Solution”) of the 2016 LCIRP which provide descriptions of the planning process employed to assess NWS as part of the Company’s

¹ In addition to the requirements outlined in this settlement, the Company will include the Grid Needs Assessment in its next LCIRP, as outlined and described in the 2019 EERS settlement and Order No. 26,207 (December 31, 2018).

broader planning processes, and, the steps taken to incorporate NWS into its planning decisions to reduce or defer traditional infrastructure investments. The Company will work with the settling parties to determine how the following issues will be addressed within the 2021 LCIRP: 1) how the risk profile evaluation for NWS is conducted, including contributing factors and issues; 2) options to mitigate identified risks; 3) how risk is incorporated into the planning process, including how risks and costs are weighted to identify when a reduction in cost justifies additional risk; 4) the potential for hybrid projects; 5) ways in which the Company might attain a more detailed analysis of the benefits and costs; and 6) how potential NWS are identified for detailed analysis.

III. GENERAL PROVISIONS

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

Reflecting the intent of this Agreement, 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.

This Agreement is expressly conditioned upon the Commission's acceptance of all of its provisions without change or condition. All terms are interdependent, and each Settling Party's

agreement to each individual term is dependent upon all Settling Parties' agreement with all terms. If such complete acceptance is not granted by the Commission, or if acceptance is conditioned in any way, each of the Settling Parties shall have the opportunity to amend or terminate this Agreement or to seek reconsideration of the Commission's decision or condition. If this Agreement is terminated, it shall be deemed to be withdrawn and shall 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 recommend approval of this Agreement before the Commission. The Settling Parties also agree that they shall not oppose this Agreement before any regulatory agencies or courts before which this matter is brought, but shall take all such action as is necessary to secure approval and implementation of the provisions of this Agreement.

The Commission's acceptance of this Agreement does not constitute continuing approval of or precedent regarding any particular issue under this docket, but such acceptance does constitute a determination that this Agreement and all provisions are just and reasonable. All discussions leading to and resulting in this Agreement have been conducted with the understanding that all offers of settlement and discussion relating to these terms are and shall be protected and treated as privileged, and shall be so 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.

THEREFORE, the Settling Parties have caused this Agreement to be duly executed in each respective name by its agent, each being fully authorized to do so on behalf of the principal.

[SIGNATURES FOLLOW ON NEXT PAGE]

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. d/b/a LIBERTY UTILITIES

By: Michael Sheehan
Michael Sheehan, Esq.
Counsel

Date: 6/23/2020

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION STAFF

By: Brian D. Buckley
Brian Buckley, Esq.
Staff Attorney

Date: 6/23/2020

OFFICE OF THE CONSUMER ADVOCATE

By: Christa Shute
Christa Shute, Esq.
Staff Attorney

Date: 6/23/2020

CITY OF LEBANON

By: Clifton Below
Clifton Below
Assistant Mayor

Date: 6/23/20