

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Northern Utilities, Inc.
2019 Least Cost Integrated Resource Plan
Settlement Agreement

Docket No. DG 19-126

SETTLEMENT AGREEMENT

This Settlement Agreement concerning Northern Utilities, Inc.'s 2019 Least Cost Integrated Resource Plan (Settlement Agreement) is entered into by and among: Northern Utilities, Inc. (Northern, or the Company); the Staff of the New Hampshire Public Utilities Commission (Staff); and the Office of the Consumer Advocate (OCA) (collectively referred to as the Settling Parties), with the intent of resolving all outstanding issues in the above-captioned docket. This Settlement Agreement constitutes the recommendation of the Settling Parties with respect to the Commission's acceptance of Northern's LCIRP.

I. INTRODUCTION AND PROCEDURAL HISTORY

On July 22, 2019, Northern filed its 2019 Least Cost Integrated Resource Plan (LCIRP) in accordance with RSA 378:38. With its filing, Northern included a Motion for Confidential Treatment and Protective Order (Motion) for certain information provided on a confidential basis. The Motion was granted at the prehearing conference held before the Commission on September 4, 2019. The parties participated in a technical session on December 11, 2019, during which Northern agreed to submit a revised LCIRP. On February 24, 2020, Northern filed its revised LCIRP. The LCIRP filings describe Northern's projected long-term resource needs over

the coming five-year planning period (2019/20 through 2023/24) and presents the planning processes used by Northern to develop a natural gas portfolio that provides reliable service to its customers in New Hampshire. A technical session was held on March 13, 2020. Staff and the OCA filed testimony on April 10, 2020.

Northern, the OCA, and Staff held a second technical session on May 12, 2020, pursuant to a secretarial letter issued by the Commission. Thereafter, the Settlement Parties concluded the Settlement Agreement.

II. SETTLEMENT TERMS

The Settling Parties agree to recommend for Commission approval the Settlement Agreement described below. 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 other terms.

A. Approval of Northern's 2019-2024 Least Cost Integrated Resource Plan

The Settling Parties recommend that the Commission accept Northern's 2019-2024 Least Cost Integrated Resource Plan (LCIRP) as adequate pursuant to RSA 378:39.

B. Development of Working Group

The Settling Parties agree that additional guidance from the Commission regarding expectations under RSA 378:37-40 will be constructive for Northern's future LCIRPs and recommend establishing a working group to discuss potential approaches and recommendations regarding the assessment of environmental, economic and health-related impacts as required under RSA 378:37-40. ("Working Group"). The scope of discussions would include, but not be limited to, the exploration of renewable natural gas, non-gas, and non-pipeline alternative

resources. Recommendations shall also take into consideration whether such revisions to Northern's future LCIRP planning process are feasible and practical. The Settling Parties agree that the Working Group will consider the cost of such possible revisions and the potential impact of any revisions upon the Company's regulatory obligations in Maine.

The Settling Parties recommend that the proposed working group process begin with a series of meetings to be convened by Staff within 3 months of an order in this docket approving the Settlement Agreement and LCIRP. The focus of these initial meetings will be to define a reasonable scope of study and desired outcomes. The Settling Parties agree to provide Working Group recommendations to the Commission by June 1st, 2021 for a Commission order providing guidance regarding expectations under RSA 378:37-40 for future LCIRPs. Submittal of Northern's next LCIRP will be due twelve months from the Commission's order responding to the Working Group's recommendations.

The Working Group would ultimately provide a report to the Commission regarding whether and how Northern's future LCIRPs could further incorporate assessments of environmental, economic and health-related impacts into least cost planning, including consideration of alternative resources. The Settling Parties agree that the proposed development of recommendations by the Working Group would be specifically related to: (1) the statutory interpretation of RSA 378:37-40; (2) recommended criteria for the evaluation by Northern of least cost resources to meet the applicable statutory requirements regarding environmental, economic and health-related impacts in future LCIRPs, including, but not limited to, alternative resources and optimization of pipeline capacities; and (3) the content and presentation of future LCIRP filings; including recommendations on how to integrate the Working Group's recommendations into the content and presentation of Northern's next LCIRP filing. The

recommendations will be provided for the Commissions consideration to provide guidance for future LCIRPs.

C. Evaluation of Using Monte Carlo Forecasting

Northern indicates that it has been conducting an internal evaluation of the Monte Carlo-based weather distribution and agrees to share its analysis and findings with the Settling Parties in the context of the Working Group above.

III. GENERAL PROVISIONS

A. 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.

B. 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.

C. 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.

D. 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.

E. 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.

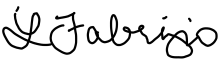
F. This Settlement Agreement is the product of confidential settlement negotiations. The content of these negotiations, including any documents prepared during such negotiations for the purpose of reaching a settlement, shall be privileged and all offers of settlement shall be without prejudice to the position of any party presenting such offer.

G. 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.

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