

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

UNITIL ENERGY SYSTEMS, INC.

DE 20-002

2020 Least Cost Integrated Resource Plan

SETTLEMENT AGREEMENT

This Settlement Agreement concerning Unitil's 2020 Least Cost Integrated Resource Plan (Settlement Agreement) is entered into this day by and between Unitil Energy Systems, Inc. (Unitil) 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 April 3, 2020, Unitil filed its Report on Least Cost Integrated Resource Planning 2020 ("LCIRP"). The Commission previously granted Unitil's request to extend the original filing deadline by secretarial letter dated January 14, 2020. With its filing, Unitil included a Motion for Confidential Treatment and Protective Order for certain information provided on a confidential basis.

The filing stated that the Unitil franchise territory is comprised of two electric distribution systems: (1) the Unitil Capital System, and (2) Unitil Seacoast System. Unitil Service Corp., a service company for Unitil, performs various and ongoing planning activities for Unitil's franchise area. The activities are intended to assess the short-term and long-term requirements and capabilities of Unitil's electric distribution system. Those activities include distribution system planning to evaluate primary distribution circuits and substations, electric system planning to evaluate UES's subtransmission facilities and system supply points, joint

system planning to evaluate the external delivery system which provides Unitil access to regional transmission and generation resource, and participation in statewide and regional transmission planning efforts. Unitil's LCIRP filing contains an overview of Unitil's planning procedures along with related appendices, including Unitil's distribution planning and design guidelines, separate evaluations of Unitil's Capital distribution system planning and Unitil's Seacoast distribution system planning, joint system planning between Unitil and Eversource; detailed project evaluations for several large planned investments; discussion of distributed energy resource investments; review of smart grid investments; load history and ten-year design forecasts for both the Capital and Seacoast regions, separate reliability studies for the Capital and Seacoast regions, and a section on Unitil's demand side management activities.

By letter dated February 19, 2020, the Office of Consumer Advocate (OCA) notified the Commission that it would be participating in this proceeding on behalf of residential ratepayers consistent with RSA 363:28. There were no other intervenors in the docket.

On April 22, 2020, the Commission issued an Order of Notice scheduling a prehearing conference on May 14, 2020. The Commission by secretarial letter approved a procedural schedule for the docket on May 27, 2020.

On September 23, 2020, the Staff filed the Prefiled Testimony and Exhibits of Kurt Demmer, Utility Analyst.

On November 17, 2020, Unitil filed the Joint Rebuttal Testimony of company witnesses Kevin Sprague, John Bonazoli and Jacob Dusling.

During the period from May 2020 through December 2020, the parties engaged in several rounds of discovery, conducted technical sessions, and held settlement discussions. This Settlement Agreement is a result of those discussions.

II. SETTLEMENT TERMS

A. 2020 LCIRP Adequacy

Unitil and Staff agree that Unitil's LCIRP filing is consistent with the provisions of RSA 378:38 and that the Commission should accept the filing.

B. Planning Criteria Incorporates Engineering Review

Unitil agrees to revise its planning criteria to allow for a case-by-case engineering review of equipment that is projected to exceed its normal loading limit but not exceed its long term emergency loading (LTE) limit within the next five years. The engineering review may consider factors such as load cycles, clearances, and conductor characteristics, when evaluating the need for a capacity upgrade.

C. Power Monitoring Equipment to Verify Peak Loading

Unitil agrees to purchase power monitoring equipment (with real and reactive power measurements) that can be temporarily applied to distribution circuits and substations. Unitil agrees to revise its planning criteria to require use of power monitoring equipment to verify peak loading when engineering estimation or circuit modeling has indicated a capacity-related upgrade greater than \$250,000 in cost may be necessary within the next five years.

D. Electric Vehicle Charging Station Customer Contribution Assumptions

Unitil agrees to work with Staff to refine its estimation of the expected utilization rates for the EV charging stations proposed for the Market Basket development project planned for the

vicinity of I-93 Exit 17. Unitil agrees to provide materials which support the draft contribution-in-aid of construction (CIAC) calculation to the Staff for review prior to providing the customer with a final CIAC figure. Unitil agrees to meet with the Staff to discuss the proposed utilization rate within ten days of the draft CIAC sheet development and prior to providing the customer with the final CIAC figure. Based on that discussion, Unitil shall propose a standardized approach for determining high voltage direct current (HVDC) and clustered level two electric vehicle charging station utilization rates in its next rate case.

E. Non-Wire Solutions and Bow Bog Capacity Upgrade

Unitil agrees to work with Staff to further integrate the consideration of non-wire solutions (NWS) into its planning analysis for capacity additions greater than \$250,000. Unitil agrees that its next area planning study shall consider whether NWS may serve as a viable alternative to the capacity-related transformer upgrade planned for Bow Bog. NWS considered shall include, but not be limited to, energy efficiency, active demand reduction, combined heat and power, and battery storage. The parties agree that costs related to NWS may be requested for recovery through distribution rates consistent with RSA 374-FVII(e). Prior to any future NWS solicitation, Unitil agrees to provide a draft of the solicitation to the Staff, and to incorporate input provided in the final solicitation.

F. Annual Planning Study Filings

Unitil agrees to file in its most recent LCIRP proceeding, by the end of the first quarter of each year, its annual planning study. With the annual filing, the Company agrees to provide a comparison of its ten year historic load with the prior year's 90-10 projection.

III. GENERAL PROVISIONS

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.

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.

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.

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.

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.

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.

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.

Staff of the Public Utilities Commission

Date: January 15, 2021

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Unitil Energy Systems, Inc.

Date: January 15, 2021

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