

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 06-098

NORTHERN UTILITIES, INC.

2006 Long-Range Integrated Resource Plan

Order Approving Stipulation and Settlement Agreement

ORDER NO. 25,089

April 5, 2010

APPEARANCES: Northern Utilities, Inc., by Gary M. Epler, Esq., and the Staff of the Commission by Marcia A.B. Thunberg, Esq.

I. PROCEDURAL HISTORY

On June 30, 2006, Northern Utilities, Inc. (Northern), now a wholly-owned subsidiary of Unitil Corporation (Unitil), filed its 2006 Long-Range Integrated Resource Plan (IRP) for its Maine and New Hampshire divisions, together with a petition to convene a joint hearing with the Commission and the Maine Public Utilities Commission (MPUC) for the purpose of reviewing the IRP. Northern also filed a motion for confidential treatment of the analysis used in Northern's resource evaluation.

On July 11, 2006, the Office of the Consumer Advocate (OCA) filed notice of its intent to participate in this docket on behalf of residential utility consumers. On July 26, 2006, the Commission issued an order of notice scheduling a prehearing conference for August 15, 2006. On August 11, 2006, petitions to intervene were filed by EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy New England (KeySpan) and Hess Corporation (Hess). The prehearing conference was conducted as scheduled.

On September 12, 2006, the Commission issued Order No. 24,666, which approved KeySpan and Hess' motions to intervene, granted Northern's motion for confidential treatment, adopted a proposed preliminary procedural schedule for the docket, and granted in part and denied in part Northern's petition to convene a joint hearing with the MPUC, determining that joint technical conferences with the MPUC would be acceptable but formal hearings would be most efficiently conducted separately. On October 10, 2006, Northern filed a supplemental (Addendum A) to its IRP. Staff and the parties conducted discovery pursuant to an approved procedural schedule.

On June 5, 2007, Northern filed revisions to its IRP to modify its Design Day Forecast (Addendum B) as well as to revise additional schedules. Staff requested additional time to review the revisions and, on June 15, 2007, the Commission issued a secretarial letter suspending the procedural schedule until further notice. During the period of suspension, the Commission approved, in Docket No. DG 08-048, Unitil Energy Systems, Inc.'s acquisition of Northern.

On August 12, 2009, the OCA withdrew from the docket. On December 15, 2009, Staff and Northern filed a stipulation and settlement agreement executed by Staff and Northern. The Commission scheduled a hearing on January 27, 2010 at which Staff and Northern presented their agreement.

On February 11, 2010, Northern submitted a copy of the Stipulation and Agreement filed with the MPUC, which was reserved at hearing as Exhibit 2. On March 9, 2010, Northern filed the second part of this reserved exhibit, a copy of the MPUC's order approving the Stipulation and Agreement.

II. STIPULATION AND SETTLEMENT AGREEMENT

A. STATUS OF FILED PLAN AND MPUC DOCKET NO. 2006-390

The settling parties agree that the planning process used to develop the plan requires further development but that the settling parties believe that it is not administratively efficient to litigate the issues arising under the 2006 IRP. Instead, the settling parties agree that Northern will prepare its 2010 IRP utilizing the planning process summarized in the Stipulation and Settlement.

B. ADMINISTRATIVE REVIEW PROCESS

Northern operates a single gas supply portfolio that extends over two states, making its integrated resource planning process subject to the jurisdiction of both the MPUC and the NHPUC. Review of Northern's IRP may be conducted separately or jointly, in the interest of economy and efficiency. The settling parties request the Commissions attempt to complete initial reviews within nine (9) months and that the initial investigation, discovery and technical sessions to be concluded within six (6) months of the filing of the IRP. The settling parties request the MPUC and NHPUC attempt to complete hearings, deliberations, and issue their decisions within three (3) months thereafter. The settling parties acknowledge the NHPUC or MPUC may resort to joint meetings to resolve any differences each may have regarding Northern's IRP. The settling parties agree to work cooperatively to attempt to resolve any differences that may arise over planning processes and procedures.

C. STANDARD OF REVIEW

The settling parties agree that the purpose of an IRP is to allow Northern to describe and explain the resource planning processes and procedures that it uses to develop an adequate, reliable and economic portfolio of supply and demand-side resources to serve firm customer demand and to allow the MPUC and NHPUC to evaluate the reasonableness of those planning processes and procedures. The criteria that the MPUC and NHPUC will use to review the 2010 IRP will include the completeness, comprehensiveness, integration, feasibility, and adequacy of the planning process.

D. FILING DATE

Northern agrees to submit for MPUC and NHPUC review the 2010 IRP no later than nine (9) months following the date that the settlement is approved by the Commission and MPUC. Northern further agrees to submit its IRP for MPUC and NHPUC review every three years thereafter.

E. PLANNING PERIOD FOR THE NEXT IRP

The settling parties agree that the 2010 IRP and all subsequent IRPs shall cover a planning period that includes the next five Gas Years after the filing date of the IRP, where "Gas Year" is the twelve months from November through the following October. The settling parties

understand that the planning period for the 2010 IRP does not prescribe the evaluative period for long-lived resource options. For example, if Northern were to identify a supply-side resource option that has a term in excess of the planning period, the economic evaluation of that resource option must extend beyond the planning period, up to the full term of the resource. On the other hand, the time period for evaluation may be shorter than the planning period if the term of the resource option falls short of the planning period.

F. CAPACITY RESERVE

In MPUC Docket No. 2006-141 and Commission Docket No. DG 06-033, the settling parties established a capacity reserve equal to 30% of Northern's capacity-exempt transportation demand. The settling parties agreed that the level of the capacity reserve was an appropriate issue for review as part of the 2006 IRP. The settling parties agree that Northern has sufficient firm capacity to serve its projected sales demand over the period November 2006 through October 2012. For this reason, the settling parties recommend Northern terminate the capacity reserve and the interim surcharge, effective on the first day of the first month succeeding the effective date of the agreement. In any future IRP proceeding, the settling parties may raise the capacity reserve issue and Northern may propose to re-establish a capacity reserve surcharge for Commission approval, if it is deemed necessary.

G. MODIFICATION TO FUTURE IRP METHODOLOGY

Northern will prepare the 2010 IRP in accordance with the terms of the agreement. Upon acceptance by the MPUC and NHPUC of the methodology and analysis applied in the 2010 IRP, unless specific directives are given, there shall be an expectation that Northern will continue to follow similar processes in the preparation of subsequent IRP filings and that Northern will seek continual improvements of its practices and procedures that further the objectives stated above under "Standard of Review." To the extent that Northern prepares an IRP filing subsequent to the 2010 IRP that deviates from the methodology approved by the Commission and MPUC, Northern shall provide: (a) a description of the modifications to the methodological processes and procedures; (b) an explanation of the purpose of the modifications; and (c) a discussion of the effect of the modifications, including quantification of the differences between the revised methodology and the previously approved methodology. The settling parties reserve all rights to assert their views on the reasonableness of any such proposed methodological modifications.

H. GRANITE STATE GAS TRANSMISSION

In accordance with the Stipulations in Docket 2008-155 (ME) and DG 08-048 and DG 08-079 (NH), a study of the potential integration of Granite State Gas Transmission, Inc. (GSGT) and Northern is being conducted by Unitil. The settling parties agree that if the study is completed, that Northern will include in its 2010 IRP a discussion of the regulatory and operational alternatives that were considered in the study, the results of the economic evaluation of the scenarios identified in the study, and the impact these scenarios may have on Northern's future resource plans. If the issues related to the study have been resolved at the time the 2010 IRP is filed, Northern's resource plans included in the 2010 IRP will reflect that final decision.

I. CONTENTS OF 2010 IRP

1. Demand Forecasts

Northern shall submit separate design day demand and annual demand forecasts for its firm sales and transportation-only customers based on the methodology summarized below. The design day demand forecast will present three scenarios: base case, high case and low case. The annual demand forecast will be developed using both normal and design year weather conditions, each of which will also be presented under base case, high case and low case demand scenarios. The high and low case scenarios will be based on extreme but plausible growth rates. In addition, Northern will identify and explain any notable deviations from historical growth trends reflected in its demand forecast. Finally, Northern will discuss the predictive ability of its demand forecast models and explain how the 2010 IRP addresses uncertainty associated with different demand scenarios.

2. Demand Forecast Methodology

The demand forecast that Northern prepares for the 2010 IRP shall consist of separate demand forecasts for the Maine and New Hampshire Divisions that are derived from a statistical analysis of data relating to distinguishable customer segments, such as: Residential Non-Heating (RNH); Residential Heating (RH); Commercial and Industrial Low Load Factor (C&I LLF); and Commercial and Industrial High Load Factor (C&I HLF) (collectively, Customer Segments). The demand forecast for each Customer Segment will be derived from separate forecasts of the number of customers and use per customer using a standard, commercially available regression analysis package.

The forecast model data will be obtained from Northern's historical records, or from commercial vendors, or both. To allow the settling parties to assess the reasonableness of Northern's demand forecast, IRP filings will include detailed information on the processes used to develop the demand forecasts including: (1) a list of all variables and model forms that were tested in developing each forecast model; (2) a discussion of the reasons that any tested variable or model form was not included in the final forecast models; (3) an analysis of the "goodness of fit" of the final forecast models and comparison to other tested models; (4) a discussion of the reasonableness of Northern's forecast including the reasonableness of assumptions relating to expected changes in use per customer and changes in regional and national economic growth over the planning period.

Natural gas demand for Company use will be added to the demand forecast based on historical data, with adjustments to reflect changes in Company use. In addition, since the customer segment forecasts will be based on metered demand at customer premises, the demand forecast will be grossed-up for lost and unaccounted for gas to obtain the equivalent city-gate sendout requirement. The demand forecast will be reduced by the amount of incremental energy savings from approved demand-side management (DSM) programs implemented during the planning period. Finally, the billing month demand forecast will be converted to calendar months.

The forecast shall be a rigorous analysis based on sound application of statistical and economic principles and approaches that is described in detail in the filing. Nothing in the agreement prohibits Northern or other settling parties from developing additional “alternative” forecasts and explaining why the use of that “alternative” forecast is preferable to the use of the one prescribed in the agreement.

3. Resource Balance

Northern shall provide information showing the difference between projected design day demand based on expected low and high demand cases and the peak-day resource capacity based on existing contracts not scheduled to expire during the planning period, known as the Resource Balance. In addition, Northern shall provide information showing the difference between projected annual demand based on expected low and high demand cases and annual supply capability based on existing contracts not scheduled to expire during the planning period. This information will be provided in both tabular and graphical form. Northern shall also provide a discussion of the potential variability in the Resource Balance and the implications of the Resource Balance for lowest cost resource procurement.

4. Planning Standards

Northern’s design day and design year planning standards shall be based on statistical analyses of an updated set of weather data and shall include consideration of how, if at all, climate change is or should be reflected in the plan. Northern will investigate whether historically observed weather is normally distributed and, if not, address the implications of this finding for the calculation of planning standards. In addition to determining the adequacy of its resource portfolio under design day and design year weather conditions, Northern shall evaluate the capability of its resource portfolio to meet sendout requirements during a protracted period of very cold weather (i.e., conduct a cold snap analysis).

5. Supply-side Resource Assessment

Northern shall identify reasonably available supply-side resource options that are capable of meeting the projected resource balance over the planning period, including the renewal of existing contracts scheduled to expire during the planning period. The methods that Northern uses to evaluate supply-side resource options shall be described in full in the 2010 IRP along with the results of the evaluations.

6. Demand-side Resource Assessment

Northern shall present estimates of the technical and economic potential for energy efficiency in its Maine and New Hampshire divisions, which in the case of New Hampshire shall be taken from, or based upon, the GDS Associates, Inc. 2009 report titled Additional Opportunities for Energy Efficiency in New Hampshire. Such estimates shall account for expected savings from existing programs that have been approved for implementation in Maine or New Hampshire.

Northern shall also include in the 2010 IRP estimates of avoided costs: (i) a description of its avoided cost methodology; (ii) the resulting avoided cost forecast by cost component; (iii) a description of the approach used to define and evaluate potential programs; (iv) avoided costs by such program; (v) estimated implementation costs by such program; and (vi) a ranking of evaluated potential programs based on appropriate criteria including avoided costs. In assessing demand-side resource programs, Northern shall use the Total Resource Cost (TRC) test for evaluating cost effectiveness. Northern shall model the expected savings from efficiency measures previously installed, and expected to be installed, in its Maine and New Hampshire divisions under programs that have been approved for implementation in Maine and New Hampshire as a reduction in its demand forecast.

7. Integration of Demand-Side and Supply-Side Resources

Northern shall describe its process for integrating demand-side and supply-side resources in a manner that meets customers' future needs at the lowest reasonable cost while maintaining reliability and taking into account other non-cost planning criteria. Among other things, the Company should discuss how differences in the reliability of supply-side and demand-side resources are taken into account in the integration process and whether it expects to acquire the incremental resources through Company-sponsored programs and/or programs acquired on its behalf by third settling parties through an RFP process.

8. Preferred Portfolio

The 2010 IRP shall include a description of the results of the integration process; namely the preferred portfolio of existing and new resources (on a design day and design year basis) that meets forecasted loads over the planning period at lowest reasonable cost. The description of the preferred portfolio for the 2010 IRP will be supplemented with a discussion of the key factors that led to the conclusion that renewal of existing contracts is economic (or uneconomic) and that certain new resource options are more cost-effective than others.¹ In addition, the preferred portfolio will be provided in both tabular and graphical form. Finally, a copy of the 2010 IRP shall be provided for informational purposes to the New Hampshire Energy Efficiency & Energy Sustainability Board and to Efficiency Maine.

9. Plan Flexibility

The Resource Balance discussion to be included in the 2010 IRP shall explicitly consider the flexibility inherent in Northern's demand-side and supply-side resource planning process, including Northern's process for acquiring additional resources or releasing contracted resources in the event that its actual customer demand is greater than or less than forecast needs in the short or long term.

¹ To the extent such information is available to Northern and Northern has considered other strategies for use, information on the performance of the preferred portfolio as compared with other strategies will be provided in the workpapers submitted along with the 2010 IRP.

10. Hedging

The 2010 IRP shall include a description of Northern's goals and strategy to financially hedge the cost of gas supply. This description should address the following issues: (i) why financial hedging is appropriate; (ii) the type of financial products the Company purchases to hedge certain supply costs; (iii) the timing as to when any financial hedges are purchased (e.g., close to delivery or multiple months prior to delivery); (iv) the time periods for which financial hedges are purchased (e.g., peak or off-peak); and (v) the magnitude of the Company's hedging program in relation to its sales requirements. To place this strategy in context, Northern shall describe generally its gas supply price risk management strategy, the organization responsible for its development and implementation, and the internal protocols that allow for its timely execution.

III. COMMISSION ANALYSIS

The Commission exercises general supervisory authority over public utilities, RSA 374:3, and has a duty to keep informed of the utilities' operations and its provision of safe and adequate service. RSA 374:4 and RSA 374:1. The Commission has stated that the filing of IRPs by gas companies "serves important purposes and the filing of IRPs should be continued." *EnergyNorth Natural Gas, Inc.*, Order No. 24,941, (Feb. 13, 2009) at 16. The filing of IRPs helps promote communication between the utility and the Commission regarding the utility's supply needs and gas resource decisions. *See EnergyNorth Natural Gas, Inc. d/b/a Keyspan Energy Delivery New England*, Order No. 24,323, 89 NH PUC 274, 284 (2004). Integrated resource planning helps the Commission assess a utility's comprehensive supply-side and demand-side resources and the utility's ability to satisfy customer's short-term and long-term energy needs at the lowest overall cost consistent with maintaining supply reliability. *See Public Service Company of New Hampshire*, Order No. 24,695, 91 NH PUC 527, 539 (2006).

Pursuant to N.H. Code Admin. Rules Puc 203.20(b), the Commission shall approve disposition of any contested case by settlement "if it determines that the result is just and reasonable and serves the public interest." *See also* RSA 541-A:31, V(a). In general, the Commission encourages parties to attempt to reach a settlement of issues through negotiation

and compromise “as it is an opportunity for creative problem-solving, allows the parties to reach a result more in line with their expectations, and is often a more expedient alternative to litigation.” *Unitil Energy Systems, Inc.*, Order No. 24,677, 91 NH PUC 416, 425-426 (2006) (quotation omitted).

The settling parties agree that Northern’s 2006 IRP, and more specifically, the process of developing the IRP, needs further development. The settling parties do not recommend the Commission reject or adopt Northern’s 2006 IRP, rather, they take no position on that document and instead ask the Commission to rule on recommended improvements for Northern’s 2010 IRP filing. We find this approach to be reasonable since it avoids the possibility of protracted litigation and focuses on solutions to problems identified in Northern’s 2006 IRP.

The settling parties’ proposed improvements are in the following subject areas: Demand Forecasts; Resource Balance; Supply-Side Resource Assessment and Demand-Side Resource Assessment and the integration of each, and Financial Hedging. The settling parties propose the Commission’s review of these subject areas be based upon the following criteria: completeness, comprehensiveness, integration, feasibility, and adequacy of the planning process. These criteria emanate from prior Commission orders on least cost planning wherein the Commission sought to “institute a consistent process to enable the Commission to evaluate all utility resource investment options.” *Public Service Company of New Hampshire*, Order No. 19,052, 73 NH PUC 117, 126 (1988). The Commission has applied these review criteria to both electric and gas utility IRPs.² See *Granite State Electric Company*, 74 NH PUC at 328-329 and *EnergyNorth*

² “First, the [C]ommission looks for completeness in meeting the reporting requirements. Has the utility included all of the required reports and addressed all of the specified areas in them? Second, the [C]ommission evaluates whether the utility’s assessment of resource options is comprehensive. Has the utility considered all demand- and supply-side resource additions, including [qualifying facilities]? Third, is the utility’s planning process integrated? Has the utility evaluated its demand- and supply-side options in an equivalent manner and addressed issues of coordinated timing in the acquisition of one or more resources? Fourth, is implementation of the utility’s resource plan feasible? Does the utility’s two-year implementation plan indicate that the utility is capable of pursuing the

Natural Gas, Inc., Order No. 24,941 at 18-23. In light of the Commission's long-standing application of these criteria to IRPs and the Commission's desire to maintain a consistent review process, we find it reasonable to apply these criteria to the Commission's review of Northern's next IRP.

A. Capacity Reserve

In its 2006 IRP filing, Northern proposed a capacity reserve charge to recover, for the benefit of firm-sales customers, the capacity-exempt customers' proportionate share of Northern's on-system capacity resources. The Commission approved Northern's request on an interim basis. *Northern Utilities, Inc.*, Docket No. DG 06-033, Order No. 24,687, 91 NH PUC 484 (2006). The charge, \$0.0055 per therm, is presently applied to all capacity-exempt, or non-capacity assigned, firm transportation service volumes billed under the tariff. The revenues collected through this charge appear as a credit to Northern's Cost of Gas filing.

The Commission approved a settlement in Docket No. DG 06-033 wherein Staff and Northern agreed "to evaluate the level and structure of the capacity reserve . . . in conjunction with the IRP proceeding in DG 06-098." *Id.* at 487. Having reviewed the issue in this docket, the settling parties now recommend that the capacity reserve charge be terminated. In support of this recommendation, the settling parties state that Northern has sufficient firm capacity to serve its projected sales demand through October 2012. Staff testified that Northern actually has excess capacity at present. Hearing Transcript of January 27, 2010 (1/27/10 Tr.) at 31. lines 9-10. Staff and Northern testified that over the long term there will be no harm to firm sales customers as a result of terminating the charge. 1/27/10 Tr. at 20, lines 10-15 and at 30, line 16.

In light of the evidence that Northern has sufficient capacity, at least through the gas year ending

resource additions it has identified in the time available? Fifth, is the utility's planning process adequate? Does it provide for resources in a timely manner sufficient to meet the...energy needs of its customers now and for the future." *Id.*

October 2012, we find it reasonable to terminate this charge. Accordingly, we will terminate the capacity reserve charge effective the first day of the first month following the date of this order.

Northern similarly requested the MPUC to terminate the capacity reserve charge applicable to Northern's customers in Maine, which the MPUC did, and the terms of termination are the same as contained in the above Stipulation and Settlement Agreement. The Stipulation and Settlement Agreement also provides that the settling parties may raise the capacity reserve issue in future IRP proceedings and that Northern may propose to re-establish a capacity reserve surcharge. Without commenting on the reasonableness of any future capacity reserve charge, we find the provision allowing such a charge to be proposed is reasonable.

B. Modification to Future IRP Methods

The settling parties agree that Northern may make improvements in its planning practices and procedures that result in deviations from the method approved by the Commission in this proceeding. To the extent that Northern prepares an IRP filing subsequent to the 2010 IRP that deviates from the approved method, the settling parties agree that Northern shall provide a description of the modifications, an explanation of the purpose of the modifications and quantification of the differences between the updated method and the previously approved method. We find this provision reasonable because it recognizes that Northern must continually improve its planning practices and procedures if it is to provide customers with the best services at the lowest possible cost. Any provision that permanently ties Northern to old practices and procedures cannot be consistent with this goal. At the same time, we recognize the need for Northern to demonstrate that the changes to the agreed method that it is proposing will actually benefit customers.

C. Granite State Gas Transmission

Granite State Gas Transmission, Inc. (Granite), a wholly-owned subsidiary of Unitil, owns and operates a federally-regulated interstate pipeline located in Maine, New Hampshire, and Massachusetts. This pipeline feeds Northern's distribution system at points in Maine and New Hampshire. In Docket No. DG 08-048, Unitil agreed to conduct a comprehensive study to assess whether the customers of Northern and Granite would be better served by integrating Granite and Northern or otherwise reorganizing the companies and their operations. The settling parties agree that if the study is completed, Northern will include in its 2010 IRP a discussion of the regulatory and operational alternatives that were considered in the study, the results of the economic evaluation of the scenarios identified in the study, and the impact these scenarios may have on Northern's future resource plans. If the issues addressed in the study have been resolved at the time the 2010 IRP is filed, Northern is obligated to incorporate these outcomes in the resource plans included in its 2010 IRP. We find these provisions to be reasonable.

D. Contents of Northern's 2010 IRP

As described above, the settling parties have agreed upon a number of specific filing requirements for Northern's 2010 IRP. We have reviewed these requirements and find them to be reasonable. In order for the Commission to evaluate how well a utility is meeting customer's short and long-term needs, it is imperative that IRPs contain sufficient data and that the data be presented in a clear and concise manner for the Commission to review. Based on these filing requirements, we anticipate that Northern's next IRP will enable the Commission to understand how Northern is conducting its resource planning, including what scenarios it has considered, how Northern plans to meet its customers' long-term service needs, and whether those plans will meet those needs at the lowest reasonable cost.

We also note that the Settlement provides for Northern to undertake a more detailed evaluation of demand-side resource options than has previously been required. This evaluation begins with determining the technical and economic potential for demand-side resources in Northern's service territory followed by the ranking of those resources based on appropriate criteria including avoided costs. The more highly ranked demand-side resources will then be integrated with the more cost effective supply-side resources to produce a plan that is capable of meeting customers' future needs at the lowest reasonable cost while maintaining reliability. We consider this new evaluation process to be fully consistent with the fundamental objective of integrated resource planning, which is to assess supply- and demand-side options on a consistent basis. The Commission looks forward to reviewing Northern's 2010 IRP and assessing whether this new process will have a meaningful impact on how Northern plans to meet customers' future needs.

Other highlights include that Northern will consider how, if at all, climate change should be reflected in the development of its design day and design year planning standards. Northern will also evaluate whether its preferred resource portfolio is capable of meeting sendout requirements in the event of a protracted period of very cold weather. We are reminded that, in January 2004, New Hampshire experienced a protracted cold snap that was twenty-five percent colder than normal and encompassed one of the most extreme cold snaps in the last 100 years. Given the hardships that can result from the inability of customers to obtain gas service during such periods, it is important that Northern be able to show that its resource plans are capable of handling such extreme events. Further, Northern will include a discussion of why it is more (or less) cost-effective to renew existing contracts than contract for new resources and why certain new resource options are more cost-effective than others.

In addition, Northern will provide information showing the difference between projected design day demand based on expected low and high demand cases and the peak-day resource capacity based on existing contracts not scheduled to expire during the planning period. This difference is known as the Resource Balance. Northern will present this information in both tabular and graphical form, which we believe will aid the Commission's review. Northern will also include a discussion of how it is managing price risk through its financial hedging. We believe these and other elements of Northern's next IRP will aid in the Commission's review and we find them to be reasonable.

E. Commission Review of IRP

The settling parties request that the Commission and the MPUC review Northern's 2010 IRP on a nine-month schedule, with initial investigation, discovery and technical sessions to be concluded within six months of the filing of the IRP. Consequently, hearings, deliberations, and the issue of decisions would have to be completed within the following three months. We have no immediate objection to establishing a nine-month schedule for the review of Northern's 2010 IRP. We note, however, that exigent circumstances may arise which may make it necessary to extend this review time period and we retain the right to deviate from it in the future. Nonetheless, we will strive to conduct our review and issue an order in a timely and efficient manner within the proposed time period.

Based upon the foregoing, it is hereby

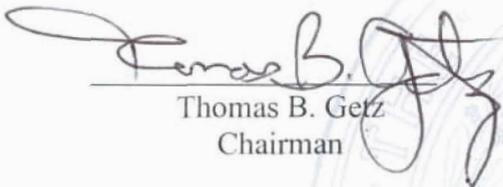
ORDERED, that the Stipulation and Settlement Agreement entered into between Staff and Northern, discussed above, is hereby approved; and it is

FURTHER ORDERED, that Northern Utilities, Inc. shall file its 2010 IRP no later than nine months following the date of this order, and it is

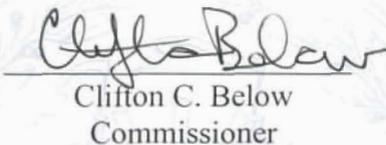
FURTHER ORDERED, that, effective the first day of the first month following the date of this order, Northern Utilities, Inc. shall cease collecting its Capacity Reserve Charge Rate Adjustment; and it is

FURTHER ORDERED, that Northern Utilities, Inc. shall file a revised tariff page for Original Page 171, Capacity Reserve Charge Rate Adjustment, terminating its capacity reserve charge.

By order of the Public Utilities Commission of New Hampshire this fifth day of April, 2010.



Thomas B. Getz
Chairman

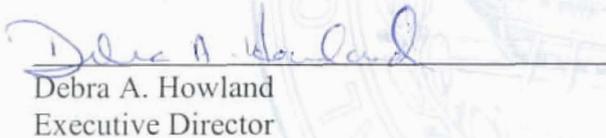


Clifton C. Below
Commissioner



Amy L. Ignatius
Commissioner

Attested by:



Debra A. Howland
Executive Director

