

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DG 11-290

**NORTHERN UTILITIES, INC.
2011 Long-Range Integrated Resource Plan**

STIPULATION AND SETTLEMENT

I. INTRODUCTION

A. IDENTIFICATION OF PARTIES AND CONDITIONS PRECEDENT

This Stipulation and Settlement is entered into by and among Northern Utilities, Inc. (“Northern”) and the Staff of the New Hampshire Public Utilities Commission (“Staff”) for the purpose of resolving issues relating to Northern’s 2011 Integrated Resource Plan (“IRP”) filed on December 30, 2011 (“2011 IRP”) as well as any filing requirement issues relating to Northern’s next IRP. The settling parties agree to proffer and support this Stipulation and Settlement for the review and approval by the New Hampshire Public Utilities Commission (“NHPUC”). Northern is filing an identical settlement, reached with the Maine Office of Public Advocate (“OPA”), with the Maine Public Utilities Commission (“MPUC”) in Docket No. 2011-526. The parties to the New Hampshire settlement and the parties to the companion settlement in DN 2011-526 have agreed that the approval of the respective settlements by the NHPUC and the MPUC is a condition precedent to the effectiveness of the terms in each. (For ease of reference, Northern, the Staff and the OPA are referred to collectively herein as “the Settling Parties.”)

II. SETTLEMENT TERMS

As a result of settlement conferences, the Settling Parties have entered into a Stipulation and Settlement that establishes filing requirements for Northern’s next-filed IRP (“2014 IRP”) as

defined in Section II.B. The Settling Parties have also reached agreement on how to process the 2011 IRP as defined in Section II.A.

A. NORTHERN'S 2011 IRP

The Settling Parties have engaged in an investigation of the 2011 IRP, and agree that the 2011 IRP satisfies the filing and contents requirements established in the Stipulation and Settlement approved by the MPUC and the NHPUC in Docket No. 2006-390 and Docket DG 06-098, respectively.

B. NORTHERN'S 2014 IRP

The Settling Parties agree that Northern will prepare its 2014 IRP utilizing the planning process and contents summarized in this Stipulation and Settlement, and Attachments A and B hereto. The 2014 IRP shall be submitted to the MPUC and the NHPUC for review no later than December 31, 2014.

Regarding development and review of the 2014 IRP, the Settling Parties agree as follows:

1. 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. Accordingly, the Settling Parties agree that it is appropriate for the MPUC and NHPUC to establish administrative review processes that ensure the efficient and timely review of Northern's IRPs. Review of Northern's 2014 IRP by the MPUC and NHPUC may be conducted separately or jointly, in the interest of economy and efficiency.

If, during the review or decision process, either the Settling Parties or the Commission Staffs conclude that Northern's IRP presents concerns that may result in inconsistent directives, the Settling Parties may request that joint meetings be conducted with representatives from both

the MPUC and the NHPUC with the goal of resolving any differences in an expeditious manner. The Settling Parties agree to work cooperatively to attempt to resolve any differences that may arise over planning processes and procedures.

2. STANDARD OF REVIEW

To facilitate the review of the 2014 IRP, 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 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 may use to review the 2014 IRP may include the completeness, comprehensiveness, integration, feasibility and adequacy of the planning process.

3. FILING DATE

Northern agrees to submit for MPUC and NHPUC review the 2014 IRP no later than December 31, 2014.

4. CONTENTS OF NEXT IRP

The 2014 IRP shall be prepared consistent with the terms herein and in Attachments A and B to this Stipulation and Settlement.

5. PLANNING PERIOD FOR THE NEXT IRP

The Settling Parties agree that the 2014 IRP shall cover a planning period that includes the next five complete Gas Years after the filing date of the IRP, where a “Gas Year” is the twelve months from November through the following October.

The Settling Parties understand that the planning period for the 2014 IRP does not prescribe the evaluative period for long-lived resource options. For example, if Northern were to identify a 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.

III. GENERAL PROVISIONS

This Stipulation and Settlement is expressly conditioned upon the MPUC’s and the NHPUC’s acceptance of all its provisions, without change or condition. If either does not accept the Stipulation and Settlement in its entirety, without change or condition, or if either makes any findings that go beyond the scope of this Stipulation and Settlement, and any of the Settling Parties is unable to agree with said changes, conditions or findings, the Stipulation and Settlement 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.

The acceptance by the MPUC and the NHPUC of this Stipulation and Settlement does not constitute continuing approval of, or precedent for, any particular issue in this proceeding other than those specified herein. Acceptance of this Stipulation and Settlement by the MPUC and the NHPUC shall not be deemed to restrain either Commission’s exercise of its authority to

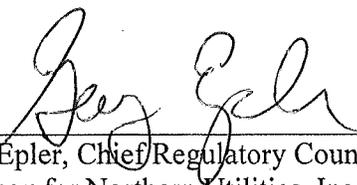
promulgate future orders, regulations or rules that resolve similar matters affecting other parties in any fashion.

This Stipulation and Settlement may be amended or modified only in a writing signed by each of the Parties hereto.

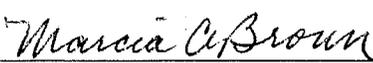
This Stipulation and Settlement shall not be deemed an admission by any of the Parties that any allegation or contention in this proceeding by any other Party, other than those specifically agreed to herein, is true and valid.

This Stipulation and Settlement 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.

NORTHERN UTILITIES, INC.

By:  Dated: 12/20/2013
Gary Epler, Chief Regulatory Counsel
Attorney for Northern Utilities, Inc.

STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

By:  Dated: Dec 18, 2013
Marcia A. Brown, Staff Attorney