

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a EVERSOURCE ENERGY

Docket No. DE 19-057

SETTLEMENT AGREEMENT ON PERMANENT DISTRIBUTION RATES

This Settlement Agreement on Permanent Distribution Rates (“Settlement Agreement”) is entered into this 9th day of October, 2020, by and among Public Service Company of New Hampshire d/b/a Eversource Energy (“PSNH,” the “Company,” or “Eversource”), the Staff of the Public Utilities Commission (“Staff”), the Office of the Consumer Advocate (“OCA”), Clean Energy New Hampshire (“CENH”), New Hampshire Department of Environmental Services (“NHDES”), The Way Home (“TWH”), Acadia Center, Walmart, Inc., AARP New Hampshire (“AARP”), and ChargePoint, Inc. (collectively, “Settling Parties”). This Settlement Agreement resolves all issues among the Settling Parties regarding the Company’s request to establish permanent rates in Docket No. DE 19-057.

SECTION 1. INTRODUCTION AND PROCEDURAL HISTORY

1.1 On March 22, 2019, PSNH filed with the New Hampshire Public Utilities Commission (“Commission”) a Notice of Intent to File Rate Schedules pursuant to N.H. Code Admin. Rule Puc 1604.05 pertaining to a request for temporary rates. On April 26, 2019, the Company filed with the Commission proposed tariffs and rate schedules, testimony, attachments and other information supporting that request. In that submission, PSNH sought an increase in temporary rates of approximately \$33 million effective July 1, 2019, pending the Commission’s determinations on the Company’s permanent rate request. On April 26, 2019, the Company also filed with the Commission a Notice of Intent to File Rate Schedules pertaining to its request for permanent rates.

1.2 On March 25, 2019, the OCA filed a letter of participation in this docket pursuant to RSA 363:28. The Commission granted motions for interventions in this docket on various dates by CENH, NHDES, TWH, Acadia Center, Walmart, Inc., AARP, and ChargePoint, Inc.

1.3 On May 8, 2019 the Commission issued Order No. 26,250, suspending PSNH's proposed tariff for a temporary rate increase pending further investigation.

1.4 On May 28, 2019, the Company submitted its permanent rate filing seeking an increase in rates of approximately \$70 million effective July 1, 2019, inclusive of the temporary rate increase. The request was supported by proposed tariffs and rate schedules, testimony and attachments from 14 witnesses, and other information supporting that request. On June 7, 2019 the Commission issued Order No. 26,256 suspending Eversource's proposed tariff for a permanent rate increase pending further investigation.

1.5 Following discovery and a technical session, on June 13, 2019, PSNH filed a settlement agreement on temporary rates ("Temporary Rates Settlement Agreement") signed by PSNH, Staff, OCA and TWH.¹ On June 27, 2019, the Commission issued Order No. 26,265 approving the Temporary Rates Settlement Agreement for a temporary increase of \$28.3 million in the Company's annual distribution revenues effective for service rendered on and after August 1, 2019. The temporary rates were approved subject to reconciliation based on the outcome of the permanent rate case.

1.6 On June 28, 2019, the Commission approved an initial procedural schedule for adjudication of the Company's permanent rate request that included multiple rounds of discovery, technical

¹ CENH did not object to the Temporary Rates Settlement Agreement but elected not to sign it.

sessions, settlement conferences, Staff and intervenor testimony and Company rebuttal testimony, merits hearings, and an anticipated Commission order by May 20, 2020. Staff, OCA and other intervenors filed testimony on December 20, 2019 and the Company filed its rebuttal testimony on March 3, 2020.²

1.7 On March 24, 2020, the Staff filed a letter in the docket describing the status of the matter and the agreement of the Company to a three-month extension of the procedural schedule to account for the state of emergency declared by Governor Sununu on March 13, 2020, regarding the COVID-19 pandemic. PSNH confirmed its agreement to the three-month extension in a letter filed on March 26, 2020. On April 24, 2020, Governor Sununu issued Exhibit D to Executive Order #29, pursuant to Executive Order 2020-04 (Executive Order #29, Ex. D), extending the Commission's authority to suspend rate schedules by six months, from 12 to 18 months.³

1.8 AARP filed a pleading on April 16, 2020 seeking an order directing PSNH to file supplemental testimony to reflect the impacts of the pandemic. AARP also requested that the Commission stay the effectiveness of the previously approved temporary rates. PSNH filed an objection to these requests on April 27, 2020. The Commission denied the AARP request as to the temporary rates in Order No. 26,363 (June 16, 2020). However, the Commission directed PSNH to file supplemental testimony and, invoking the authority previously granted by the Governor in his emergency directives of April 24, 2020, suspended PSNH's permanent rate schedule for an additional 6 months. This resulted in a full 18-month period of suspension, to

² Pursuant to the Commission's Order No. 26,363, supplemental testimony on return on equity and other topics was also filed on July 16, 2020 by the Company, Staff and OCA.

³ See RSA 378:6, I(a) (ordinarily providing for 12-month suspension period).

November 28, 2020.⁴ The Commission also directed Staff to work with the parties to develop and propose a procedural and hearing schedule in order to resolve this matter as expeditiously as possible.⁵

1.9 On June 19, 2020, Staff submitted a proposed procedural schedule for hearings on the merits. On July 7, 2020, the Commission issued a Secretarial Letter approving Staff's proposed procedural schedule including 20 days of hearings beginning on August 19, 2020 and ending October 30, 2020.⁶

1.10 In the weeks prior to and following the Commission's order extending the suspension period, the Company, Staff and OCA engaged in settlement discussions, which were subsequently expanded to include additional intervenors. Based upon these discussions, the Settling Parties agreed to the terms of this Settlement Agreement, subject to Commission approval. The Settling Parties recommend and request that the Commission approve this Settlement Agreement without modification.⁷

⁴ Order No. 26,363, at 9-10 (June 16, 2020).

⁵ On May 28, 2020, the Commission issued Order No. 26,361 to remove from this docket issues related to rate design for charging electric vehicles ("EV") raised by intervenors to Docket No. IR 20-004, the Commission's investigation of EV charging rates and rate structure. Issues pertaining to EV infrastructure were retained in this docket.

⁶ On July 17, 2020, OCA submitted a motion for rehearing of certain determinations in the July 7 secretarial letter. Specifically, after making various rules-based, statutory and constitutional arguments, OCA asked the Commission to reconsider its decision to hold remote hearings in the rate case and to convene the parties for a prehearing conference. The Commission denied these requests on August 10, 2020 via Order No. 26,392.

⁷ AARP filed a motion on September 25, 2020 seeking certain procedural rulings relative to how the Commission would conduct its hearing on this Settlement Agreement. That motion was withdrawn, without prejudice, on October 5, 2020.

SECTION 2. REVENUE REQUIREMENT INCREASE

2.1 The Company shall be allowed a total revenue increase of \$44.987 million effective for service rendered on and after January 1, 2021, to be reconciled back to July 1, 2019, the effective date of temporary rates, consistent with Order No. 26,265 (June 27, 2019) in this proceeding.

2.2 The agreed-upon revenue increase reflects adjustments that have been made to the revenue requirement in order to reach settlement.

2.3 The Settling Parties agree to the following: (a) a total revenue requirement increase of \$44.987 million which includes a reduction of \$1.1 million as a settlement concession, among other adjustments up and down; and (b) that the Company shall be authorized to establish a regulatory asset in the amount of \$5 million to be recovered over 10 years through an annual amortization of \$500,000 per year following approval of this Settlement Agreement (i.e., over the period July 1, 2019 through June 30, 2029).

2.4 It is explicitly understood and agreed to among the Settling Parties that adjustments made to the revenue requirement for purposes of reaching settlement shall not establish precedent for future rate proceedings.

SECTION 3. PLANT IN SERVICE

3.1 Staff's testimony includes observations and concerns about the Company's documentation of certain capital projects involving their planning, budgeting and management. To address this concern, the Company shall work with Staff and the OCA to develop a regulatory review template to guide the development and production of capital project documentation generated through the Company's capital authorization process. The purpose of the regulatory review template shall be to facilitate the Commission's review of future requests of the Company to recover the costs of

capital investments. To the extent possible pending completion of the business process audit described in Section 3.2 below, the Company, Staff, and the OCA intend to develop the template prior to May 2021 for incorporation in the Company's step adjustment filing due May 1, as described below in Section 10. The template shall be subject to revision in future years based on the recommendations resulting from the business process audit, described below in Section 3.2.

3.2 To further address Staff's concerns regarding the inconsistent documentation of capital projects as described in Section 3.1 above, the Company agrees to a business process audit of the Company, consistent with the one described in Appendix 2 to be conducted and overseen by Staff. The Company may provide input on the list of potential bidders and the scope of services to be provided in the business process audit RFP. Staff's selection decision of an auditor shall be final and shall not be appealable to the Commission by the signatories to the Settlement Agreement.

3.3 The OCA's testimony includes observations and concerns regarding the Company's investments in automated meter reading ("AMR") infrastructure. To address these observations and concerns, the Company shall employ a nine-year depreciable life for its existing AMR infrastructure, using whole life depreciation.

3.4 During the proceeding, the Company provided information relating to its accounting for the retirement of meters that were taken out of service as part of the Company's deployment of automated meter reading ("AMR") meters. The Settling Parties have discussed the meter retirements during discovery, technical sessions, and information exchanges to review the accuracy and validity of the accounting for and the numbers of meters reflected in the settled cost of service in this proceeding. Staff and the OCA continue to have questions regarding the accounting for and the numbers of the meter retirements. As a result, the Company, Staff, and the

OCA shall continue working collaboratively to verify the accuracy of the accounting for and number of meter retirements. To facilitate this discussion, the Company may elect, either on its own or at the request of Staff or the OCA, to hire an independent accounting firm, at the Company's cost, to verify the accuracy of the meter plant account 370, and in particular the retirement entries associated with the meters that were removed as part of the AMR deployment. The scope of this work will include an analysis of meters and transactions currently recorded on the Company's books and records. The independent accounting firm's work may include some or all of the following tasks: (1) obtain an understanding of the addition, unitization and retirement process by selecting transactions, testing these transactions for certain attributes, and identify their existence in the appropriate asset systems; (2) validate the existence of the meter assets included in rate base through a reconciliation of assets to the respective asset systems (Meter Management System and/or Customer Information System); (3) determine that the cost and unit quantity recorded for each asset included in the fixed asset system is appropriate; and (4) determine the appropriateness of "AMR meter" retirements. Nothing in this settlement precludes the Staff or the OCA from petitioning the Commission, after such collaboration, to review the accounting for the retirement of the Company's metering infrastructure , except that any such petition, if filed, must be filed no later than April 30, 2021.

SECTION 4. METERING INFRASTRUCTURE: FEASIBILITY ASSESSMENT

4.1 The OCA's testimony includes observations and concerns regarding the Company's investments in automated meter reading ("AMR") infrastructure. For example, the functionalities provided by AMR infrastructure are limited when compared to those provided by advanced metering, which may be necessary to offer advanced rate designs and other offerings due to their ability to collect and transmit interval data. In light of these observations and concerns, the

Company shall conduct an assessment of the feasibility of deploying advanced metering functionality (“AMF”) in New Hampshire, building upon the work recently conducted by Eversource Energy in Connecticut and filed with the Connecticut Public Utilities Regulatory Authority. The assessment will include the following parameters, with the recognition that conditions in New Hampshire are different than those that prevail elsewhere in the Eversource Energy service territories:

- (a) The assessment shall be performed by an outside consultant mutually agreed to by Staff, the OCA, and PSNH. The outside consultant responsible for the feasibility study in Connecticut shall be evaluated first and, if not mutually agreed to by Staff, the OCA, and PSNH, other consultants shall receive consideration.
- (b) The assessment shall include (but not be limited to) an assumption that AMR meters had not been deployed by PSNH.
- (c) The Settling Parties agree that the assessment shall include the following components:
 - 1. The Assessment shall include a project management phase with a deliverable documenting the detailed project schedule with participation requirements by subject matter experts and stakeholders and weekly reports from the consultant documenting progress on Assessment deliverables highlighting project risks and mitigations;
 - 2. The Assessment shall analyze multiple scenarios, including but not be limited to: (i) a scenario that assumes that previously deployed analog meters remain in service and are manually read; (ii) the Company’s currently deployed meters and its current approach to meter reading; and

(iii) a scenario assuming that the Company's existing AMR meters are replaced with technologies capable of offering advanced metering functionality, considering both full and partial (opt-in) meter deployment scenarios.

3. For each scenario that involves the deployment of new technologies, the assessment shall analyze the effects of all practicable deployment timelines;
4. For each scenario, the Assessment shall quantify life cycle costs to deploy and maintain new infrastructure over the expected useful life of the assets;
5. For each scenario, the Assessment shall document life cycle costs and benefits that can be quantified on a net present value basis, as well as those that may be characterized qualitatively;
6. The Assessment shall examine whether existing broadband or cellular communication networks can be used and meters or other devices offering advanced metering functionality and time varying rates can be offered on an opt-in basis;
7. The Assessment shall include a sensitivity analysis for the most impactful cost and benefit uncertainties. The scope of work shall include an assessment of New Hampshire customer propensity to adopt opt-in time of use rates and New Hampshire geographic and demographic considerations for AMF deployment; and
8. The Assessment shall include a review of cybersecurity and confidentiality concerns associated with AMF.

- (d) Quantification of benefits within the no AMR meters scenario identified in item (b) above shall be for illustrative purposes only and shall not be determinative of how

costs and benefits would be quantified within any potential future proposals by PSNH.

- (e) The Company, Staff, and the OCA shall collaborate in good faith and exercise best efforts to mutually agree upon the scope of work based on the foregoing provisions, and each shall have the opportunity to comment on the consultant's draft deliverables. The Company and consultant shall provide periodic updates to the Staff and the OCA and solicit input of the Staff and the OCA on material decisions during development of the assessment.

SECTION 5. MAJOR STORM COST RESERVE

5.1 The Company shall include \$12 million annually in rates for the major storm reserve, consistent with the amount presently included in PSNH's rates.

5.2 Rather than implement a reconciling mechanism for storm costs, the Company shall be permitted to file for a separate, temporary amortization of storm costs for storm events that exceed \$25 million per event which may include a request to recover costs for repair of damage due to such storm events through a surcharge (Storm Cost Adjustment Mechanism).

5.3 The Company shall continue to file reports on storm costs annually on May 1, consistent with current practice. Storms that have 100 percent of costs booked will be included in each storm report and any storms with costs that are not 100 percent booked will be included in the storm report in the year following the booking of all costs.

5.4 The Company shall annually offset the storm cost account #186430 directly with the balance in the funding account #228430, or a related successor account.

SECTION 6. VEGETATION MANAGEMENT PROGRAM

6.1 The Company shall be allowed to include \$27.1 million annually in rates for vegetation management. Of this amount, \$11.6 million annually is associated with enhanced tree trimming (“ETT”) and hazard tree removal; \$14.0 million annually is associated with scheduled maintenance trimming (“SMT”); and \$1.5 million annually is associated with full-width right-of-way (“ROW”) clearing.

6.2 The following terms apply to annual reconciliation of vegetation management program costs:

- (a) The Company may request recovery of its actual annual vegetation management expenses up to 10 percent over, or any amount under, the total amount allowed in base rates (\$27.1 million), credited to or recovered through the annual Regulatory Reconciliation Adjustment Mechanism as further described in Section 9 below.
- (b) The Company shall submit a detailed vegetation management plan on or by November 15th each year starting in November 2020 for the following calendar year’s vegetation work. The Company shall provide a summary of budgeted costs by program (i.e. ETT/Hazard Tree Removal, SMT and Full-Width ROW Clearing). Further details relating to the contents of the vegetation management plan are included as Appendix 3.
- (c) The previous calendar year’s actual vegetation activity shall be reconciled to the budget each year in an annual report submitted to the Commission by March 1. If the actual expense incurred in the prior calendar year is less than the amount in base rates (\$27.1 million) the Company may request either to carry that amount into the

next program year as an offset to the current year's expenditures or to return the under-spent amount to customers as a credit to the Regulatory Reconciliation Adjustment, subject to Commission approval. If the actual expense incurred in the prior calendar year is greater than the amount in base rates, the Company shall be allowed to recover amounts up to 10 percent of the amount in base rates through the Regulatory Reconciliation Mechanism (\$2.71 million + \$27.1 million = \$29.81 million total), subject to Commission approval. Amounts greater than 10 percent over the amount in base rates shall not be recovered through the Regulatory Reconciliation Adjustment Mechanism or any other recovery mechanism.

- (d) The first actual base rate reconciliation to be performed in the March 1, 2021 filing shall reconcile the costs from the period July 1, 2020 through December 31, 2020. The period January 1, 2020 through June 30, 2020 shall be reflected in the Company's recoupment adjustment.

6.3 The Company shall undertake a review of ETT and Hazard Tree Removal activities in an engineering review described in Section 11. The engineering review shall assess the benefits and costs of ETT and Hazard Tree Removal and make recommendations for targeted application of those programs and may result in adjustment to ETT/ Hazard Tree Removal budget after the review has been completed, as determined by the Commission pursuant to Section 11.5 of this Settlement.

SECTION 7. COST OF SERVICE ADJUSTMENTS

7.1 Since the time of restructuring, PSNH has been permitted to defer estimated environmental remediation/manufactured gas plant (“MGP”) costs primarily relating to former generation sites.⁸ The Company shall be allowed to recover the environmental reserve/MGP liability in the Stranded Cost Recovery Charge (“SCRC”) rate at equal cents per kWh across customer classes rather than in distribution rates. To address the shift to the SCRC, the Company has removed an annual amortization of \$2.3 million over four years as of December 31, 2018 from its proposed revenue requirement in this case and shall include it in the SCRC filing following approval of this Settlement Agreement. The amounts to be recovered in the SCRC shall be updated to reflect the actual deferred balance as of the time of the SCRC filing and be amortized over a four-year period. Future environmental costs shall be recovered on a current basis through the SCRC.

7.2 The Company shall use whole life depreciation.

7.3 On a monthly basis, the Company records an accrual for uncollectible expense representing an estimate of the amounts billed to customers but not paid and finally written off after all collection measures are exhausted. This monthly uncollectible expense accrual is calculated using a factor of historical account write-offs divided by revenue and multiplied by the current month retail revenue. Consistent with the Commission’s previously approved method,⁹ an amount equal

⁸ Under the terms of the 1999 PSNH restructuring settlement agreement as approved by the Commission in Docket No. DE 99-099, and as approved in three subsequent rate proceedings (Docket Nos. DE 03-200, DE 06-028, and DE 09-035), PSNH was allowed to defer estimated MGP liabilities as they are accrued for future recovery. The estimated costs were recognized when PSNH’s environmental scientists quantified the costs of site remediation, and when remediation work begins at a site, the reserve account is charged for remediation costs, such as labor and materials. The regulatory asset established for environmental costs, with appropriate carrying charges, is amortized to expense once recovery begins.

⁹ As discussed in the testimony of Eric H. Chung and Troy M. Dixon, Bates pages 092-93, the Company calculated uncollectible expense by taking total test year retail revenue of \$953,681,402 multiplied by a net write off ratio of 0.6571 percent, which represents a 3-year average of actual customer net write-offs as a percentage of retail revenues for the calendar years 2016 through 2018. This resulted in a total uncollectible expense of \$6,266,640.

to 47.7 percent of uncollectible expense shall be allocated to and collected in the default Energy Service Rate, consistent with the Company's initial filing.

SECTION 8. COST OF CAPITAL

8.1 The Company shall be allowed a return on equity of 9.3 percent.

8.2 The Settling Parties have agreed that a capital structure of 54.4 percent equity and 45.6 debt shall be used for purposes of determining the Company's revenue requirement in this proceeding.

8.3 The Company shall be allowed a pre-tax weighted cost of capital of 6.87 percent.

8.4 The capital structure and overall cost of debt has been adjusted to reflect the issuance of \$150 million in long-term debt in August 2020 at favorable rates, which reduced both PSNH's cost of debt and its overall cost of capital.

SECTION 9. ANNUAL REGULATORY RECONCILIATION ADJUSTMENT MECHANISM

9.1 The Company shall be authorized to implement an annual Regulatory Reconciliation Adjustment ("RRA") mechanism, which is intended to allow the Company to request recovery or refund of the limited set of costs identified below:

- (a) Regulatory Commission annual assessments and consultants hired or retained by the Commission and OCA. In accordance with RSA 363-A:6, amounts above or below the total Commission assessment, less amounts charged to base distribution and default Energy Service, shall be recovered through the RRA. The amount in

That amount was then allocated 52.3 percent to distribution and 47.7 percent to energy service based on the ratio of test year distribution revenues to the sum of test year distribution revenues plus test year energy service revenues. This calculation is also provided in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-8 (Perm), page 2. The allocation methodology was first established as a result of the settlement order in Docket No. DE 06-028 in which the Company was directed to allocate uncollectible expense using the proportion of distribution and energy service revenues.

base distribution rates pertaining to Commission assessments is \$5,220,056 reflecting the fiscal year 2020 assessment to PSNH and excludes \$10,000 which is to be recovered through the default Energy Service rate per Docket No. DE 14-238 and RSA 363-A:2, III. Additionally, legal and consulting outside service charges related to Commission approved special assessments assessed by the Commission to the Company for the expenses of experts employed by the Commission, Staff, and OCA pursuant to the provisions of RSA 365:37, II, RSA 365:38-a, and RSA 363:28, III shall also be recovered through the RRA. The Settling Parties acknowledge that current base distribution rates do not include any costs associated with consultants hired or retained by the Commission, Staff, and OCA, and any costs incurred within the calendar year shall be included in the RRA for recovery in the year following the year in which they are incurred. To the extent any such costs are recovered through another rate or method, they shall not be recovered through the RRA.

- (b) Vegetation management program variances as described in Section 6 above. The RRA shall include the calendar year over- or under-collection from the Company's Vegetation Management Program. The over- or under-collection shall be credited or charged to the RRA on August 1 of the following year. The Company may request transfer of unspent amounts to the subsequent year's Vegetation Management Program budgets. The amount in base rates shall be \$27.1 million for ETT, Hazard Tree Removal, ROW and SMT programs. The amount to be recovered in the RRA shall be based on the overall vegetation management program variance for the prior calendar year, rather than variances for individual

activities within the overall program. The first RRA shall recover any over/under recoveries for the July 1, 2020 – December 31, 2020 vegetation management program associated with activities related to ETT, Hazard Tree Removal, and ROW clearing consistent with the expenditures noted in extension of the Temporary Rates Settlement Agreement as described in the Staff's March 24, 2020 letter in this docket. The first full year of the \$27.1 million total vegetation management program reconciliation shall begin in the 2021 annual reconciliation.

- (c) Property tax expenses, as compared to the amount in base rates. Consistent with RSA 72:8-e, property tax over- or under-recoveries as compared to the amount in base distribution rates shall be adjusted annually through the RRA. The amount included in base distribution rates for property tax expense shall be \$45,186,407 based on property tax expense as of December 2019, normalized to exclude any credits related to property tax settlement proceeds for tax years preceding the test year. On an annual basis, actual property tax expense for the prior calendar year shall be compared against the amount in base rates and any variances will be reconciled through the RRA mechanism. Annual actual property tax expense shall be normalized to adjust for any credits received due to abatement settlement proceeds received for tax years preceding the test year. The RRA shall recover any over- or under- recoveries beginning in calendar year 2020.
- (d) Lost-base distribution revenues associated with net metering, as calculated consistent with RSA 362-A:9, VII and the Commission's approved method in Order No. 26,029 (June 23, 2017) in Docket No. DE 16-576. The Settling Parties acknowledge that base distribution rates do not include any lost base distribution

revenue associated with net metering for installations occurring on or after January 1, 2019. The amount of lost base distribution revenue shall be calculated based on the cumulative net metering installations from January 1, 2019 forward unless a different recovery methodology is adopted by the Commission in Docket No. DE 20-136, Recovery Mechanism and Rate Treatment for Net Metering and Group Host Costs, or any other docket. The RRA shall recover lost base distribution revenues beginning as of January 1, 2019.

- (e) Storm cost amortization final reconciliation and annual reconciliation updated for actual cost of long-term debt. The RRA shall be used to reconcile the recovery amount of the storm costs through December 31, 2018, which are included for recovery as part of the temporary rate increase. Consistent with the temporary rate settlement, the \$68.5 million currently being recovered over five years shall be reconciled based on final actual costs, including any audit adjustments, and to reflect the actual cost of debt over time. As part of the temporary rate settlement agreement, PSNH began amortizing the unrecovered storm costs as of December 31, 2018, which were estimated to be \$68,474,355, over a five-year period beginning August 1, 2019. As of August 1, 2019, PSNH began applying a carrying charge on these storms equal to its embedded cost of long-term debt. On an annual basis through July 31, 2024, the RRA shall reconcile the amortization amount to adjust for the Company's actual cost of long-term debt interest rate as filed in the Company's Form F-1 on a quarterly basis.

9.2 The RRA shall be established annually based on a full reconciliation with interest for any over- or under-recoveries occurring in prior year(s). Interest shall be calculated at the prime rate,

to be fixed on a quarterly basis and to be established as reported in *The Wall Street Journal* on the first business day of the month preceding the calendar quarter (“Prime Rate”). If more than one interest rate is reported, the average of the reported rates shall be used. Accumulated Deferred Income Taxes (“ADIT”) shall not be included in the calculation of carrying charges on the over or under recovery of the RRA. ADIT reflects deferred income taxes caused by differences in accounting for expenses for tax purposes as compared to book accounting purposes. The carrying charges applicable to the RRA are intended to represent a proxy (Prime Rate) for the short-term cost to customers of over-collecting, or to the Company of under-collecting expenses. Because, unlike rate base ADIT, the items recovered through the RRA will generally turn around over a much shorter time period than plant-related ADIT, and because the Prime Rate is not intended to reflect the Company’s weighted average cost of capital, the Company will not include ADIT in the calculation of carrying charges for over or under recoveries associated with the RRA. For purposes of billing under the alternative net metering tariff that became effective September 1, 2017, the RRA shall be considered part of the credit to net metering customers, unless determined otherwise by the Commission, either in Docket No. DE 20-136, Recovery Mechanism and Rate Treatment for Net Metering and Group Host Costs, or otherwise.

9.3 By March 1 of each year the Company shall submit a filing containing reports on PSNH’s reliability statistics and vegetation management activities, and requesting the Commission open a new docket to consider the filing and other RRA issues. Such reports shall include information on reliability and vegetation management activities similar to information historically included in the Company’s Reliability Enhancement Plan filings. Further detail regarding the report contents is provided in Appendix 4. The Company shall also include as part of this annual filing the proposed adjustment to the August 1 RRA associated with prior calendar year vegetation management activities, as described in Section 9.1(b) above. On or by May 1 of each year, the Company shall

update its RRA filing with information pertaining to all other components of the RRA filing, along with supporting testimony and exhibits for rates effective August 1.

SECTION 10. STEP ADJUSTMENTS

10.1 The Company shall be allowed three step adjustments as follows:

- (a) Step 1 shall reflect an increase to account for calendar year 2019 plant-in-service and shall be implemented concurrent with the increase in base rates in this proceeding. This first step shall be subject to the following conditions:
 - i. The revenue requirement shall be capped at \$11 million.
 - ii. The step shall include only allowed projects and annual projects and programs closed to plant in 2019, excluding new business/growth-related projects.
 - iii. The rate for the first step shall be designed to recover the value of the step adjustment from January 1, 2021 through July 31, 2021. Beginning August 1, 2021 (the rate effective date of the second step adjustment), the rate shall be adjusted going forward to reflect a 12-month calendar recovery of the first step.
 - iv. The projects and programs that may be included in the step are identified in the listing attached as Appendix 5.
- (b) Step 2 shall reflect an increase for calendar year 2020 plant-in-service and shall be effective August 1, 2021, subject to the following conditions:
 - i. The revenue requirement associated with this step shall be capped at \$18 million.

- ii. This step shall include only allowed projects/programs closed to plant in 2020, excluding new business/growth-related projects.
 - iii. The projects and programs that may be included in this step are identified in the listing attached as Appendix 5. The Settling Parties agree that the Company may substitute projects prior to the commencement of the review period if projects identified in this appendix are not deployed.
- (c) Step 3 shall reflect an increase for calendar year 2021 plant-in-service to be effective August 1, 2022 and shall be subject to the following conditions:
- i. The revenue requirement associated with this step shall be capped at \$9.3 million.
 - ii. This step shall include only allowed projects and programs closed to plant in 2021, excluding new business/growth-related projects.

10.2 For the first step, the following process shall apply. In recognition of the limited time to make changes to the Company's documentation as well as the historical nature of the projects in issue, for the first step increase related to capital investments made in 2019, the Company shall make a filing at or around the time of the filing of this Settlement Agreement with testimony and supporting information describing the capital projects placed in service in calendar year 2019, as well as testimony and supporting information describing the proposed rate impact, using the documentation available at the time of the filing. In addition, the Company's initial filing shall provide a summary list of capital projects, excluding new business projects, showing, at least: the project name and description; initial budget by project; variances from the initial budget; and final actual costs. After the Company's initial filing, and upon the request of Staff, the Company shall provide further information related to a sampling of the Company's projects, including but not

limited to Project Authorization Forms, Supplemental Request Forms, and work order cost detail summarized at the project level by cost category over the life of the project.

10.3 For the second and third steps the following process shall apply. The Company shall make a filing by May 1, 2021, for the second step increase, with rates effective August 1, 2021 and the Company shall make a filing by May 1, 2022, for the third step increase, with rates effective August 1, 2022. Each filing shall include, at least, the following documentation and process steps:

- (a) The Company shall provide the amount of the investments to be included in the step increases (by project) and detailed project descriptions including the initial budget, the final cost, and the date on which each project was booked to plant in-service.
- (b) For each project, all project documents will be provided including, but not limited to, Project Authorization Forms, Supplemental Request Forms, and work order cost detail summarized at the project level by cost category over the life of the project.
- (c) After the Company's initial filing, and upon request of Staff, the Company shall provide additional information to aid in review of the initial filings.
- (d) For the second and third step increases, the Company shall conform the documentation to the template to be agreed to in accordance with Section 3 above, to the extent possible and subject to limitations that may exist in relation to retroactive application of a new format.
- (e) For all steps, including the first step, the Company agrees that if the actual costs are less than budgeted amounts, the actual amounts shall be used to calculate the step

adjustments. If the actual cost of the capital additions exceeds the budgeted amounts, the Company may seek recovery of the excess through the step adjustment process, up to the specified step adjustment caps. If not addressed through the step adjustment, the Company may seek recovery in its next rate case.

- (f) The revenue requirement for the step adjustments shall be calculated in a manner similar to that used in the Company's initial filing at Bates 313-320 (Attachment EHC/TMD-3 (Perm)), except that it will exclude recovery of Enterprise IT Project costs, and Union Contractual Adjustments.
- (g) With respect to timing of filing documentation and the step process, the Company shall file the required documentation and supporting information on or by May 1 of each year for rates effective as of August 1 of each year. The Company acknowledges that: (1) Staff and the OCA require at least 90 days to review the each step; and (2) Staff and the OCA agreement to step adjustments does not foreclose full prudence review during analysis of each step adjustment, including the Company's decision to make an investment and the management of each project.
- (h) Incremental equipment/project costs directly resulting from the Company's recently revised SYSPLAN 008 and SYSPLAN 010 shall be ineligible for recovery within these steps. Project costs relating to asset condition may be recoverable.

10.4 All step increases shall be subject to Staff audit and reconciliation based on the results of the audit, as approved by the Commission.

10.5 Nothing in this Settlement Agreement shall preclude the Settling Parties from disputing the prudence of individual investments requested for recovery within the step increases.

10.6 The Company shall not request recovery of any capital costs associated with plant placed in service outside of the above-described step adjustments until the Company's next distribution rate case filing, which shall be based on a test year ending no sooner than December 31, 2022, and which shall be filed no earlier than the first quarter of 2023.

SECTION 11. ASSESSMENT OF FUTURE DISTRIBUTION INFRASTRUCTURE NEEDS

11.1 The Company's initial petition included proposals related to certain practices and planned capital investments related to system resilience, and the potential acceleration of those investments under what it described as a Grid Transformation Enablement Program. Several parties filed testimony containing observations and concerns regarding those investments. In light of these observations and concerns, at the Company's expense, the Company shall hire an engineering firm to perform a condition assessment of the PSNH distribution infrastructure, including substations, to provide recommendations related to the Company's short and long-term system needs consistent with the requirements of least-cost integrated resource planning.

11.2 As part of the condition assessment, the engineering firm shall review the cost-effectiveness of using: (1) steel poles in right-of-way (ROW); (2) Class 2 poles as a standard pole; (3) composite cross arms; (4) relocated ROW facilities; (5) spacer cable and tree wire; and (6) reconductoring of under-sized wire. The assessment shall also include ETT and Hazard Tree Removal activities.

11.3 The Company intends to continue with its current practices as defined in Section 11.2 above pending the engineering firm's assessment and substantiation of those practices as consistent with good utility practice and least-cost planning, subject to Commission determination.

11.4 At the Company's expense, the Company shall conduct a comprehensive survey of PSNH's customers regarding their prioritization of reliability and resiliency versus cost. The Company shall work collaboratively with Staff and the OCA on development of the survey instruments.

11.5 The New Hampshire-specific engineering assessment and survey shall be submitted by March 31, 2021 as supplemental testimony in the docket for the Company's 2020 least-cost integrated resource plan (LCIRP) filing.

11.6 The Settling Parties agree the Commission may contract with a consultant to review the results of the PSNH consultant's engineering assessment, and perform other engineering work as needed. The costs of such a review shall be recoverable through the RRA mechanism.

SECTION 12. FEE FREE CREDIT/DEBIT CARD PAYMENT

12.1 In recognition of a general transition to "cashless" business transactions, with customers both expecting and preferring to use their credit/debit cards to pay their bills through mobile or on-line applications, as well as customer dissatisfaction with present bill payment options. PSNH proposed implementing a "fee free" option through its payment processing vendor that would allow customers to pay their monthly bills with a credit/debit card without incurring a transaction fee. The Settling Parties agree that PSNH shall implement a modified version of this proposal as described below.

12.2 PSNH shall implement a fee free credit/debit card payment system through its third-party vendor consistent with the proposal described in the testimony of PSNH witness Penelope McLean Conner, subject to the following:

- (a) At this time, fee free credit/debit card payments shall be implemented as an option for residential customers and shall only be available for one-time (i.e., not automatic recurring) payments. Customers who wish to pay by credit or debit card each month shall be required to enter their credit or debit card payment information for each payment made.
- (b) PSNH shall monitor the adoption rate by customers and shall report on the adoption rate to the Staff and OCA. Based upon the information reported, PSNH shall work with the Staff and OCA to determine whether amendments to the fee free program, such as expansion to commercial customers or to allow for recurring payments, should be recommended to the Commission for approval.
- (c) Information on the updated costs and adoption rates of the fee free program are included in Appendix 6.

12.3 The Company may recover \$375,000 of program-related costs in base rates annually beginning January 1, 2021, subject to reconciliation at the time of the Company's next rate case, with carrying charges on the over- or under-recovered balance calculated using the Prime Rate. If the actual costs resulting from customers' adoption of the fee free option exceed the \$375,000 allowed in rates in the first year, the Company shall increase the amount in rates to an amount reflecting the estimated cost, but not more than \$520,500, effective February 1, 2022. Testimony

and supporting materials relating to such increase, if requested, shall be included in the materials submitted with the Company's SCRC filing for effect on February 1, 2022.

SECTION 13. NEW START - ARREARS MANAGEMENT PROGRAM

13.1 Consistent with programs currently offered by PSNH's affiliates in Massachusetts and Connecticut, PSNH proposed implementing the "New Start" program in New Hampshire. New Start is an arrears management program that provides payment assistance for qualifying residential customers struggling with past due utility bills where for every required monthly payment an enrolled customer makes to the Company, a portion of their past due balance will be forgiven. The intent of the program is to: enable the customer to develop consistent bill payment habits; protect the customer from service disconnection while participating in the program; and enable the customer to get a fresh start as the arrears are forgiven with each payment made. The Settling Parties agree that PSNH shall implement the New Start program in New Hampshire.

13.2 Initial programming costs for implementing the New Start program shall be recovered in base rates, rather than through the RRA. The Company may recover \$340,000 of program start-up costs in base rates annually beginning January 1, 2021, subject to reconciliation at the time of the Company's next rate case, with carrying charges on the over-or under-recovered balance calculated using the Prime Rate. The Settling Parties acknowledge that implementing the program will require substantial programming changes, and customer and community education, and that, at present, such implementation is targeted to occur in the first quarter of 2022.

13.3 The Company shall be permitted to recover \$1,077,356 in base rates annually beginning February 1, 2022, subject to reconciliation at the time of the Company's next rate case, with carrying charges on the over- or under-recovered balance calculated using the Prime Rate. This

recovery shall fund a reserve account for funds collected through rates for the program. Testimony and supporting materials relating to implementing this adjustment to base rates shall be included in the materials submitted with the Company's SCRC filing for effect on February 1, 2022.

13.4 A description of the program rules is set out more fully in Appendix 7 and includes the following general requirements:

(a) \$12,000 per customer annual cap on forgiveness.

(b) The program shall be available to any customer whose account is coded "financial hardship" consistent with the Commission's Puc 1200 rules, and whose account has a balance of \$150 or more that is at least 60 days past due.

13.5 The New Start program shall initially be designed for implementation in line with the description in Appendix 7. The Company shall convene a stakeholder group within 60 days of the Commission's approval of this settlement agreement to develop a comprehensive program design for the New Start program and to assist in the long-term monitoring and evaluation of the program. The stakeholder group shall be open to interested members of the Settling Parties, and any other interested parties.

The stakeholder group shall not be considered as attached to the Commission, and the Staff will serve as a non-voting member of the group. Staff will attend meetings at its discretion.

The stakeholder group shall file a report with the Commission within 120 days of the final order in this proceeding to recommend a comprehensive program design. The members of the stakeholder group shall work in good faith through the stakeholder group process to reach consensus on the design of the program. The report shall include the recommendations of the

group and shall describe areas of consensus and any areas of disagreement. In cases of disagreement, a disagreeing member may make its own recommendations to the Commission concerning the program design

The stakeholder group shall determine its purposes and activities, which may include monitoring the program, addressing communication and training for social service agencies, and reviewing communications for customers pertaining to the program. Following completion of agreed business design requirements, the stakeholder group may meet periodically as it deems necessary and proper to review the program and make recommendations on further refinements while maintaining the core program design.

13.6 The Company shall develop a plan and format for quarterly reporting to be included in the stakeholder group report described in Section 13.5 above, utilizing the metrics described in Appendix 7. Such reports shall be filed with the Commission and provided to the stakeholder group on a quarterly basis until such time the stakeholder group determines a different reporting time.

SECTION 14. TARIFFS AND RATE DESIGN

14.1 The Settling Parties agree that the updates to the fees and charges as described in the updates to the Terms and Conditions of the Company's tariff, as well as the updates to the fees and charges pertaining to competitive electric power suppliers, provided in its initial filing should be approved as filed.

14.2 There shall be no tariff provision allowing default Energy Service customers to block incoming enrollments from competitive suppliers as had been proposed in the Company's initial filing.

14.3 The Company shall propose a symmetrical decoupling mechanism in its next rate case. The Settling Parties acknowledge that provision does not necessarily constitute support of decoupling in principle nor support of any particular version of decoupling by any party, and does not prejudice any party's right to oppose, or to seek to modify, such proposal in the next rate case.

14.4 The Company's customer charge shall remain at the level implemented pursuant to the Temporary Rates Settlement Agreement until the Company's next rate case. Specifically, except for outdoor lighting rates, the base rate increases and any surcharges or sur-credits provided for in this Settlement, shall be collected solely through changes in consumption or demand charges.

14.5 The Settling Parties agree that the revenue increase shall be allocated in equal proportionality among the classes. For clarity, the Company shall directly assign costs to the outdoor lighting classes, and then allocate the remainder of the costs to each customer class on an equal percent basis. Specifically, the Company shall reduce the outdoor lighting class revenue allocation of costs by \$1.356 million and then allocate the total permanent rate increase in equal proportionality among all rate classes. The calculation of the allocation is included in Appendix 10.

14.6 Within six months of the Commission's approval of this Settlement Agreement, the Company shall propose amendments to its tariff to revise its optional time-of-day rate for residential customers. Such proposal shall include, but not be limited to, a two-period rate structure consisting of peak and off-peak periods, with a peak period lasting no more than eight hours. PSNH shall collaborate with interested members of the Settling Parties and other stakeholders in developing the proposal.

14.7 The Company agrees to phase out declining block rates for all rate classes where such rates exist. Half of the differential between the relevant blocks will be eliminated within this rate case, and the remaining half will be eliminated as part of the Company's next rate case.

14.8 The Company shall make the following changes to its tariff relative to outdoor lighting:

- (a) The assumed hours of operation contained in PSNH's Rate OL and Rate EOL shall be adjusted to one-half hour after sunset to one-half hour before sunrise consistent with those times for Concord, New Hampshire specified in the 2020 edition of the Farmer's Almanac and data available from the U.S. National Oceanographic Atmospheric Administration (NOAA). Midnight lighting hours shall be adjusted accordingly. The relevant adjustments shall be made available once necessary programming and bill changes have been implemented.
- (b) PSNH's Rate EOL will also be amended to include language allowing for advanced lighting controls. The relevant adjustments shall be made available once necessary programming and bill changes have been implemented.
- (c) PSNH shall create a new rate which will align more closely with the language of the Liberty Utilities LED-2 rate to allow additional flexibility and options for municipalities to install advanced lights and lighting controls, and to allow municipalities to own and maintain the streetlights in their communities. PSNH shall work with interested parties on final tariff language to implement this provision with a goal of having new tariff language submitted to the Commission for approval during the first quarter of 2021. A framework for this new rate offering is set out in Appendix 8. At the time the new tariff language is submitted, the

Company will also specify the effective dates of the changes set out in Sections 14.8(a) and (b) above.

SECTION 15. RECOUPMENT

15.1 The Excess Deferred Income Tax (“EDIT”) credit associated with Protected Property and Unprotected Pension (amortized over 10 years) shall be incorporated as a component of base rates, resulting in a reduction of the revenue deficiency of approximately \$5.1 million.

15.2 To the extent the Company experiences higher arrearages than anticipated due to the on-going pandemic, those arrearages shall be addressed in a separate docket specific to the costs and issues of the pandemic.

15.3 For EDIT balances not reflected in permanent base rates, the Company shall establish a tax sur-credit mechanism to ensure customers receive the full amount to which they are entitled and that the Company does not credit more than it owes. The sur-credit mechanism will incorporate the following:

- (a) 2018/2019 Federal EDIT balance of \$13.3 million will offset recoupment amount.
- (b) Remaining 5-year Federal EDIT balance of \$5.2 million.
- (c) Total 5-year NH EDIT balance of \$4.9 million.
- (d) Amortize the total balance to be returned via the Tax Cuts and Jobs Act (“TCJA”) sur-credit so that the liability is extinguished by the end of 2023.
- (e) See Appendix 1 for calculation of recoupment amount, net of \$13.3 million and the TCJA sur-credit.

SECTION 16. ELECTRIC VEHICLES

16.1 The Settling Parties acknowledge that matters of rate design regarding electric vehicles have been excluded from this rate case and are only included by reference in this Settlement Agreement with respect to one or more future filings by the Company in a separate docket, as discussed in paragraph 16.2(b) below.

16.2 With respect to make-ready investments supporting electric vehicle charging infrastructure, the Settling Parties agree to the following:

- (a) Within four months following the Commission's approval of this Settlement Agreement, PSNH shall file a proposal for make-ready investments supporting electric vehicle charging infrastructure in New Hampshire and request that the Commission open a new docket to consider the proposal;
- (b) As part of the filing referenced in (a) above, PSNH shall include a proposal for an alternative to demand charges for electric vehicle charging rates unless the Commission determines otherwise in the adjudicative proceeding announced in Order No. 26,394 (August 18, 2020) in Docket No. IR 20-004; and
- (c) PSNH shall collaborate with interested members of the Settling Parties in developing the proposal referenced in (a) above and other stakeholders requesting to be included.

16.3 The Settling Parties expressly acknowledge that this Settlement Agreement does not include or contemplate any specific cost recovery relating to any proposed deployment or development of electric vehicle charging infrastructure. In any future proposal by the Company

to support electric vehicle charging infrastructure, the Company shall include, at a minimum, information on the costs and benefits of such infrastructure which identifies the customers or customer classes to which the costs and benefits apply. The Company shall bear the burden of justifying any cost recovery proposed, and any of the Settling Parties, or other participants to the future proceeding, are free to take any position they choose relative to the proposed infrastructure investment and any proposed cost recovery.

SECTION 17. EFFECTIVE DATE

17.1 This Settlement Agreement is subject to and shall become effective upon Commission approval, with new permanent rates to become effective as of January 1, 2021. The Settling Parties shall use best efforts to obtain Commission approval on or before November 28, 2020.

SECTION 18. GENERAL PROVISIONS

18.1 A timeline of the events and filings contemplated by this Settlement Agreement is included as Appendix 11.

18.2 A revised tariff intended to incorporate the provisions of this Settlement Agreement is included as Appendix 9.

18.3 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 notify the Commission within five business days of their disagreement with any such changes, conditions, or findings, the Agreement shall be deemed to be withdrawn, in which event it shall be deemed to be null and void and without effect, shall not constitute any part of the record in this proceeding,

and shall not be relied on by Staff or any party to this proceeding or by the Commission for any other purpose.

18.4 Under this Settlement Agreement, the Settling Parties agree to this joint submission to the Commission as a resolution of the issues specified herein only.

18.5 The Settling Parties agree that the Commission's approval of this Settlement Agreement shall not constitute continuing approval of, or precedent for, any particular principle or issue, but such acceptance does constitute a determination that the adjustments and provisions stated in their totality are just and reasonable and consistent with the public interest and that the rates contemplated will be just and reasonable under the circumstances.

18.6 This Settlement Agreement shall not be deemed an admission by any of the Settling 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 Settlement Agreement shall not be construed to represent any concession by any Settling Party hereto regarding positions taken with respect to the Company's proposals in this docket, nor shall this Settlement Agreement be deemed to foreclose any Settling Party in the future from taking any position in any subsequent proceedings. The amounts associated with each of the settlement adjustments detailed herein are liquidated amounts that reflect a compromise of all the issues in this proceeding.

18.7 The pre-filed testimony and supporting documentation previously provided in this proceeding are not expected to be subject to cross-examination by the Settling Parties, which would normally occur in a fully litigated case. The Settling Parties agree that all pre-filed testimony and supporting documentation should be admitted as full exhibits for the purpose of consideration of this Settlement Agreement, and be given whatever weight the Commission deems

appropriate. Consent by the Settling Parties to admit all pre-filed testimony without challenge does not constitute agreement by any of the Settling Parties that the content of the pre-filed testimony is accurate or that the views of the witnesses should be assigned any particular weight by the Commission. 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, nor does the reference to any other document bind the Settling Parties to the contents of, or recommendations in, that document for purposes of any future proceeding. The Commission's approval of the recommendations in this Settlement Agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall constitute only a determination that the rates resulting from, and other specific conditions stated in this Settlement Agreement are just and reasonable. 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.

18.8 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.

18.9 The discussions that produced this Settlement Agreement have been conducted on the understanding that all offers of settlement and settlement discussions relating to this docket shall

be confidential, shall not be admissible as evidence in this proceeding, shall be 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 connection with any future proceeding or otherwise. 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.

18.10 This Settlement Agreement may be executed by facsimile and in multiple counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

SECTION 19. CONCLUSION

19.1 The Settling Parties affirm that the proposed Settlement Agreement will result in just and reasonable rates and should be approved by the Commission.

[signature pages follow]

Dated: October 9, 2020

Public Service Company of New Hampshire d/b/a
Eversource Energy



By: _____
Matthew J. Fossum
Its Attorney

Dated: October 9, 2020

Staff of the New Hampshire Public Utilities
Commission



By: _____ for
Suzanne Amidon
Its Attorney

Dated: October 9, 2020

Office of the Consumer Advocate

By: _____
D. Maurice Kreis
Consumer Advocate

Dated: October 9, 2020

Clean Energy New Hampshire

By: _____
Elijah Emerson
Its Attorney

Dated: October 9, 2020

AARP New Hampshire

By: _____
John Coffman/Joseph Donahue
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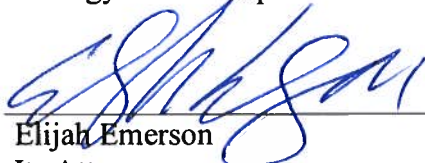
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AARP New Hampshire

By: John Coffman / Joseph Donahue
John Coffman / Joseph Donahue
Its Attorneys

Dated: October 9, 2020

The Way Home

By: 

Raymond Burke
Its Attorney

Dated: October 9, 2020

Acadia Center

By: _____

Amy Boyd
Director of Policy and Senior Attorney

Dated: October 9, 2020

NH Department of Environmental Services

By: _____

Christopher Skoglund
Climate and Energy Program Manager

Dated: October 9, 2020

Walmart, Inc.

By: _____

Melissa Horne
Its Attorney

Dated: October 9, 2020

ChargePoint, Inc.

By: _____

Melissa Birchard
Its Attorney

Dated: October 9, 2020

The Way Home

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Raymond Burke
Its Attorney

Dated: October 9, 2020

Acadia Center

By:  _____ for
Amy Boyd
Director of Policy and Senior Attorney

Dated: October 9, 2020

NH Department of Environmental Services

By:  _____ for
Craig A. Wright
Director, Air Resources Division

Dated: October 9, 2020

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Melissa Horne
Its Attorney

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By:  _____ for
Melissa Birchard
Its Attorney