

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

**NORTHERN UTILITIES, INC.
2015 Summer Cost of Gas**

Docket No. DG 15-090

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into this 26th day of June 2015, by and among Northern Utilities, Inc. (Northern or the Company), Sprague Operating Resources LLC (Sprague), Global Montello Group Corp. (Global), the Office of the Consumer Advocate (OCA), and the Staff of the New Hampshire Public Utilities Commission (Staff) (together, the Parties). This Agreement documents the resolution of the outstanding issue in the above-captioned docket, the methodology by which Northern will distribute a demand charge refund from Portland Natural Gas Transmission System (PNGTS) to its New Hampshire Division customers (the NH Refund) as discussed at the June 2, 2015, hearing in this docket.

Northern shall distribute the NH Refund to the New Hampshire Division sales service customers and to the New Hampshire Division capacity-assigned delivery service customers over a 3-year period, so that 50 percent of the total refund is returned to customers in the first year (May 1, 2015 – April 30, 2016), 30 percent of the total refund is returned in the second year (May 1, 2016-April 30, 2017), and 20 percent is returned in the third year (May 1, 2017-April 30, 2018).

The NH Refund will be credited to New Hampshire Division Delivery Service through a credit to the PNGTS demand rate, which is detailed as a component of “company-


managed” demand costs for the Washington 10 Storage path under Northern’s New Hampshire Division capacity assignment program. The credit will be refunded in the proportions set forth above for PNGTS demand, based on the actual assigned TCQ in each month of each marketer’s pool.

During the 3-year refund period, the interest rate to be applied to the balance temporarily retained by Northern shall be Northern’s short-term borrowing rate, as that amount is calculated from time to time. Northern shall provide a reconciliation of the balance, identifying the interest rate(s) applied on a monthly basis (or more frequently if such rate changes more frequently), in Northern’s New Hampshire Division cost of gas filings until the amount to be refunded shall equal zero.

The pre-filed direct testimonies of Sprague and the OCA shall be entered into the evidentiary record of this docket without objection. As a condition of settlement, the public version of the Sprague responses to data requests and Global’s responses to data requests shall be admitted into the record in their entirety as Exhibit 7.

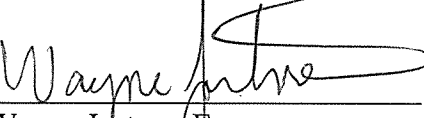
To the extent that the Commission determines that a waiver is required from Northern’s Tariff regarding the method to be employed for distribution of a refund from an upstream capacity supplier, Northern requests such a waiver, and the Parties do not object to the request.

**STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

By: 
Michael Sheehan, Esq.
Staff Attorney

Date: 6-26-15

OFFICE OF THE CONSUMER ADVOCATE

By: 
Wayne Jortner, Esq.
Attorney for OCA

Date: 6/26/15

SPRAGUE OPERATING RESOURCES, LLC

By: _____ Date: _____
Kerry Battles, Esq., Sprague Operating Resources, LLC

GLOBAL MONTELLO GROUP CORP.

By: _____ Date: _____
Philip Segaloff, Esq., Global Partners, on behalf of Global Montello Group Corp.

NORTHERN UTILITIES, INC.

By: _____ Date: _____
Gary Epler, Esq.
Northern Utilities, Inc.

**STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

By: _____ Date: _____
Michael Sheehan, Esq.
Staff Attorney.

OFFICE OF THE CONSUMER ADVOCATE

By: _____ Date: _____
Wayne Jortner, Esq.
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By:  _____ Date: 6/26/2015
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