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consumption block based on customer billing kWh. (4) For those customers who had surplus kWh produced in a month (the customer generated more than they consumed), only the amount that actually displaced energy delivered by the Company is included in the calculation of displaced distribution revenue. (5) For those customers who had installed generation prior to or during the 2009 test year utilized in the Company's most recent rate case (DE 10-055) the generated kWh is either excluded fully or only included for the period of 2009 prior to installation. (6) Each net metering generation unit's displaced distribution revenues is summed to arrive at the total cost estimate of displaced distribution revenue.

- 2.3. A sample schedule using this methodology showing the calculation of displaced distribution revenue associated with net metering for the year 2013 is attached as Settlement Agreement Schedule 1.
- 2.4. The Settling Parties also agree that in the Company's next EDC filing due in June 20176, Unitil shall be allowed to request displaced revenue associated with net metering for 2013, 2014, and 2015 and 2016 with rates for effect August 1, 20176. In that proceeding, and in any subsequent EDC filing where it seeks to collect such displaced revenue, the Company shall have the burden to demonstrate that its calculation is in accordance with the methodology agreed to in this Settlement.
- 2.5. The Settling Parties agree that the Company's EDC tariff, Schedule EDC, should be amended to include a provision allowing displaced distribution revenue associated with net metering to be recovered through the EDC. A proposed amended Schedule EDC is attached as Settlement Agreement Schedule 2.

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