

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

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

Docket No. DE 19-139

2019 Least Cost Integrated Resource Plan

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into this 11th day of March, 2020 by and between Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or “the Company”), the Staff of the New Hampshire Public Utilities Commission (“Staff”) and the Office of Consumer Advocate (“OCA”) (collectively, the “Settling Parties”) and is intended to resolve all outstanding issues relative to the August 23, 2019 filing of Eversource in the instant docket and Eversource’s compliance with Order No. 26,262, issued on June 14, 2019 in Docket No. DE 15-248. This Agreement constitutes the recommendation of the Settling Parties.

I. INTRODUCTION AND PROCEDURAL HISTORY

On June 19, 2015, Eversource submitted it’s a Least Cost Integrated Resource Plan (“LCIRP”) as required by RSA 378:38 and Order No. 24,659 (May 1, 2014), as clarified by the Commission in Order No. 25,676 (June 12, 2015) (the “2015 Plan”). Ultimately, a settlement agreement on the 2015 Plan was reached between Eversource and the Commission Staff and approved by the Commission in Order No. 26,050 (August 25, 2017). The settlement agreement relating to the 2015 Plan provided, in relevant part, that at the time it filed its next LCIRP,

Eversource would provide the information required by RSA 378:38, as well as additional information as outlined in the agreement on the 2015 Plan.

Pursuant to RSA 378:38, “each electric and natural gas utility, under RSA 362:2, shall file a least cost integrated resource plan with the commission within 2 years of the commission’s final order regarding the utility’s prior plan, and in all cases within 5 years of the filing date of the prior plan.” In that the 2015 Plan filing was made on June 19, 2015, Order No. 26,050 provided that Eversource’s next LCIRP would be due within 2 years of that date, or August 25, 2019.

On February 12, 2019, the Commission Staff submitted its recommendation on grid modernization in Docket No. IR 15-296. Among other things, the Staff’s recommendation proposed that the LCIRP be replaced by a new submission, an Integrated Distribution Plan or IDP, and that utilities request waivers of the LCIRP filing requirements in light of the new IDP. *See* February 12, 2019 Staff Recommendation in Docket No. IR 15-296 at 67.

In view of the above recommendation, on April 9, 2019, Eversource filed a motion seeking a waiver of the requirement to make an LCIRP filing by August 25, 2019. On June 14, 2019, the Commission issued Order No. 26,262 in Docket No. DE 15-248 and partially granted the waiver requested by Eversource. In granting the waiver the Commission ordered that Eversource make what it described as “a more limited filing” by August 25, 2019, and that the “purpose of that filing will be to ensure that Eversource is adhering to the commitments made in its prior approved LCIRP.” *Id.* at 6. Specifically, the Commission ordered:

Our prior approval of Eversource’s 2015 LCIRP contained a number of specific deliverables and we will require updates of those no later than August 25, as listed below:

- Confirmation that the utility is currently following the process of system planning utilizing those established procedures, criteria, and policies outlined in its 2015 LCIRP, and achieving the objectives included in its 2015 LCIRP;

- A copy of the Eversource-UES and Eversource-NHEC Joint Recommendations Report from each of the most recent joint planning meetings with UES and with NHEC;
 - 2019 Organization charts for field distribution operations, planning, and engineering;
 - An updated crew complement report (include bucket crews, digger crews, and troubleshooters assigned to each area work center in all five regions) for 2017, 2018, and 2019;
 - The Company's evaluation of targeted energy efficiency solutions for potential projects for 4 & 12 kV substations due to loading;
 - An update on the HeatSmart customer recertification results;
 - A copy of the most recent list of proposed capital projects which were presented to senior management for consideration of approval; and
 - Details regarding the steps taken through each state of the Planning Process Flow for each of the highest-cost distribution capital projects with a status of In Service, Under Construction, or Planned, within the prior two years, and a demonstration of how the LCIRP plan was followed through the planning process.

We will not require Eversource to update its distribution automation plan or its customer engagement platform in the August 25, 2019, filing. Although those items were included in the order approving the 2015LCIRP. They will be covered in more detail in the IDP.

Id. at 6-7. On August 23, 2019, Eversource made the filing specified by Order No. 26,262.

Following a prehearing conference and technical session on September 25, 2019, the Settling Parties engaged in several rounds of discovery and on January 22, 2020, the Staff filed the testimony of Kurt Demmer. Thereafter, the Settling Parties engaged in settlement discussions that have culminated with this Agreement.

II. SETTLEMENT TERMS

The Settling Parties agree that the Settlement Agreement as described below should be approved by the Commission. These terms are intended to be included in a comprehensive settlement and, as such, all terms are interdependent, and each Settling Party's agreement to each individual term is dependent upon agreement with all of the terms.

A. Compliance with Order No. 26,262

The Settling Parties agree that Eversource complied with the requirements of the waiver granted in Order No. 26,262 and that its submission is sufficient to meet the requirements of the relevant commission orders. The Settling Parties recommend that the Commission accept Eversource's August 23, 2019 filing as sufficient and compliant.

B. 2020 LCIRP Filing Requirements

As part of this Agreement,¹ Eversource agrees that it will meet certain specifications for its next LCIRP submission as described below:

1. Comprehensiveness of 2020 LCIRP

Eversource agrees to provide a full LCIRP filing addressing the statutory factors of RSA 378:38, as applicable. The Company's next LCIRP shall at a minimum meet a level of detail similar to that provided by Unitil in its 2016 LCIRP filing relative to planning and budgeting processes, distribution operating procedures, distribution engineering manual, equipment standards (distribution underground, distribution overhead, and substation construction standards), planning criteria, load forecasts, future system needs, planned solutions, and potential alternatives to planned solutions. Topics covered in the LCIRP shall include, but may not be limited to:

Load Forecast. Consistent with RSA 378:38, I, a forecast of future demand for the utility's service area, including ten-year, substation breaker-level loading criteria and forecasts;

Assessment of Distribution System Requirements. Consistent with RSA 378:38, III, an assessment of distribution system requirements, including a five-year forward-looking

¹ In addition to the requirements outlined in this settlement, the Company will include the Grid Needs Assessment in its next LCIRP, as outlined and described in the 2019 EERS settlement and Order No. 26,207 (December 31, 2018).

evaluation of planned system investments and alternatives that were considered. For purposes of this Agreement, the Settling Parties agree that any existing area planning studies and solution selection forms impacting investment during the five-year timeframe shall be included as appendices.

Assessment of Demand Side Management Programs. Consistent with RSA 378:38, II, an assessment of demand side energy management programs, including the potential of such programs to defer or avoid the need for capacity-related investments. The Company will provide in its initial LCIRP filing a list planned capital projects that may be candidates for avoidance and/or deferral through deployment of non-wire solutions (NWS) (“NWS candidates”), a detailed analysis of the non-wire potential of one chosen candidate, and further details on how NWS are incorporated into utility planning.

NWS Candidates. The list of NWS candidates provided in Eversource’s LCIRP will identify capacity-related distribution infrastructure investments that may be candidates for: (1) deferral or avoidance via deployment of non-wires solutions (NWS); or, (2) a combined deployment of NWS paired with a traditional system solution. Specifically, Eversource will identify projects that: (1) are capacity-related; (2) require no more than 30MW of peak load relief within seven years of the LCIRP filing; (3) have a projected cost of at least \$1 million; and (4) and have a planned in-service date at least 3 years after the date of the 2020 LCIRP filing.

Detailed NWS Potential Analysis. Prior to the filing of the LCIRP, and once the NWS candidates are initially identified by the Eversource, the Company agrees to meet with the Settling Parties to identify an NWS candidate that should be the focus of a more detailed analysis provided within the LCIRP filing. This analysis of NWS should consider utility

system benefits other than avoided distribution capacity costs and include, but not be limited to, avoided energy and transmission costs. The analysis shall include an evaluation of the demand reduction potential associated with energy efficiency and large C&I load curtailment, as well as other NWSs.

Incorporation of NWS into Utility Planning. The LCIRP will also include a description of the planning process employed to assess NWS as part of the Company's broader planning processes and the steps taken to incorporate NWS into its planning decisions as well as revised internal policy documentation reflecting an increased emphasis on incorporating NWS to reduce or defer traditional infrastructure investments.

2. Planning Criteria Revisions

As part of this Agreement, Eversource agrees that its next LCIRP will address issues pertaining to the adoption and implementation of the planning criteria in SYSPLAN-008 and SYSPLAN-010. In particular, Eversource will: (1) explain and describe the changes from its prior planning criteria and will explain the justification for the changes in those criteria; and (2) describe any projects proposed through 2021 that may be impacted by the changes from the prior planning criteria to SYSPLAN-008 and SYSPLAN-010, the degree to which the new criteria are factors in those projects, and any incremental costs or benefits relating to those projects as a result of applying the new criteria;

C. Acknowledgement of Planning Criteria Disagreement

The Settling Parties acknowledge that there is presently a disagreement among them regarding the need for the transition to SYSPLAN-008 and SYSPLAN-010 which incorporates a lower load at risk and lower transformer loading capacity rating for replacement, as further described in Attachment A to this Agreement. The Company acknowledges that Staff and the

OCA do not at this time support revenue recovery of the incremental costs of any current or future capital investments made by the Company where such incremental costs are solely attributable to the new planning criteria.

D. Eversource 2020 LCIRP Filing Deadline Extension

In Order No. 26,262, the Commission took note that while it could waive the five-year filing requirement of RSA 378:38, it declined to do so at that time and retained the requirement that Eversource's next LCIRP submission would be required to be filed by June 19, 2020. In recognition of the details requested for the next filing as specified above, and the ongoing work that Eversource is undertaking on its Distribution Planning Guide, the Settling Parties agree that there is good cause pursuant to RSA 378:38-a to waive the 5-year requirement. Specifically, Eversource requests, and the Staff and OCA agree that the Commission should grant, a waiver such that the deadline would be shifted by approximately 3 months from the current deadline and that Eversource's next LCIRP should be filed on or before October 1, 2020.

III. GENERAL PROVISIONS

The Settling Parties agree that all testimony and supporting documentation may be admitted as full exhibits for purposes of consideration of this Agreement. Assent to admit all direct testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony is accurate nor is it indicative of what weight, if any, should be given to the views of any witness.

Reflecting the intent of this Agreement, 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.

This Agreement is expressly conditioned upon the Commission's acceptance of all of its provisions without change or condition. All terms are interdependent, and each Settling Party's agreement to each individual term is dependent upon all Settling Parties' agreement with all terms. If such complete acceptance is not granted by the Commission, or if acceptance is conditioned in any way, each of the Settling Parties shall have the opportunity to amend or terminate this Agreement or to seek reconsideration of the Commission's decision or condition. If this Agreement is terminated, it shall be deemed to be withdrawn and shall be null and void and without effect, and shall not constitute any part of the record in this proceeding nor be used for any other purpose. The Settling Parties recommend approval of this Agreement before the Commission. The Settling Parties also agree that they shall not oppose this Agreement before any regulatory agencies or courts before which this matter is brought, but shall take all such action as is necessary to secure approval and implementation of the provisions of this Agreement.

The Commission's acceptance of this Agreement does not constitute continuing approval of or precedent regarding any particular issue under this docket, but such acceptance does constitute a determination that this Agreement and all provisions are just and reasonable. All discussions leading to and resulting in this Agreement have been conducted with the understanding that all offers of settlement and discussion relating to these terms are and shall be protected and treated as privileged, and shall be so 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 any manner in connection with this proceeding, any further proceeding or otherwise.

THEREFORE, the Settling Parties have caused this Agreement to be duly executed in each respective name by its agent, each being fully authorized to do so on behalf of the principal.

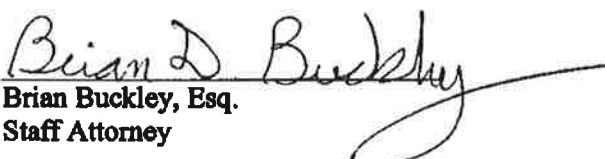
[SIGNATURES FOLLOW ON NEXT PAGE]

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

By: 
Jessica A. Chiavara, Esq.
Counsel


Date: 3/11/2020

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION STAFF

By: 
Brian Buckley, Esq.
Staff Attorney

Date: 3/11/2020

OFFICE OF THE CONSUMER ADVOCATE

By: 
Christa Shute, Esq.
Staff Attorney

Date: 3/11/2020

Attachment A - DE 19-139 Settlement Agreement

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. 19-139

Date Request Received: 10/10/2019

Date of Response: 10/24/2019

Request No. STAFF 1-001

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Russel D. Johnson, Lee G. Lajoie

Request:

Reference Order No. 26,262 at 6-7 stating “Our prior approval of Eversource’s 2015 LCIRP contained a number of specific deliverables and we will require updates of those no later than August 25, [including] Confirmation that the utility is currently following the process of system planning utilizing those established procedures, criteria, and policies outlined in its 2015 LCIRP.” Please provide a brief narrative identifying and summarizing any instances where the Company is no longer following the procedures, criteria, or policies outlined in its 2015 LCIRP, or is now following any procedure, criteria, or policy not outlined in its 2015 LCIRP.

Response:

The following distribution system planning procedures have been adopted since the 2015 LCIRP:

SYSPLAN-008 - Calculation and Documentation of Bulk Distribution Transformer Ratings

This procedure changed the bulk transformer rating from a “loss of life” determined rating (which we referred to as “TFRAT”) to a rating typically limited by hot spot temperature. SYSPLAN-008 also assumes a 75% preload and a fixed peak load period (12 hours summer, 4 hours winter) rather than a 24-hour load curve. The change in the long-term emergency ratings were typically minor increases or decreases, however, the overall result was an increase in the total long-term emergency capacity of the bulk substation transformers. An industry standard PTLoad software is used.

SYSPLAN 010 – Bulk Distribution Substation Assessment Procedure

This procedure provides the planning criteria used to assess bulk substations. The 2015 LCIRP was based on ED3002 – Distribution System Planning and Design Criteria Guidelines (which included the bulk substation planning criteria as well as other planning criteria). ED3002 allowed for the loss of up to 30 MW for up to 24 hours as a design criteria. SYSPLAN 010 does not allow for permanent loss of load for the loss of a bulk transformer.

Peak load forecasting methodology

The peak load forecasting methodology was modified from a planning area forecast based heavily on historical data to a methodology defined in the response to Docket No. DE 19-057 OCA 7-015.