

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty

Request for Change in Rates

Docket No. DE 23-039

SETTLEMENT AGREEMENT ON PERMANENT RATES

This Settlement Agreement on Permanent Rates (“Settlement Agreement”) is entered into this 15th day of November 2024, by and among Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or the “Company”), the Department of Energy (“DOE”), the Office of the Consumer Advocate (“OCA”), The Trustees of Dartmouth College (“Dartmouth”), Clean Energy New Hampshire (“CENH”), the Conservation Law Foundation (“CLF”), Wal-Mart, Inc. (“Wal-Mart”), and the Community Power Coalition of New Hampshire (“CPCNH”) (together, “Settling Parties”). This Settlement Agreement resolves all issues among the Settling Parties regarding Liberty’s request to establish permanent rates in Docket No. DE 23-039. This Settlement Agreement also settles all outstanding issues in Liberty’s pending decoupling dockets, DE 23-081-Decoupling Year 2, and DE 24-099-Decoupling Year 3. This Settlement Agreement also resolves a rate increase request by Liberty in DE 22-035 concerning implementation of a Step Adjustment. All parties to these three dockets are signatories to this Settlement Agreement.

SECTION 1. INTRODUCTION AND PROCEDURAL HISTORY

1.1 On March 29, 2023, Liberty filed with the New Hampshire Public Utilities Commission (“Commission”) a Notice of Intent to File Rate Schedules pursuant to N.H. Code Admin. Rules Puc 1604.05. Liberty filed its Petition for Permanent and Temporary Rates (“Petition”) on May

5, 2023, including proposed tariffs and rate schedules, testimony, attachments, and other information supporting the Petition.¹ Liberty's Petition requested that the Commission grant: (1) a temporary rate increase of \$6,732,801 in annual distribution revenue to be effective with service rendered on or after July 1, 2023; (2) a permanent rate increase of \$15,487,002 in annual distribution revenue to be effective with service rendered on or after July 1, 2023; and (3) a three-year forward-looking multi-year rate plan. The Petition requested approval of a 10.35 percent return on equity ("ROE"), and a capital structure consisting of 55.00 percent equity and 45.00 percent debt.

1.2 On April 11, 2023, the OCA filed a letter of participation pursuant to RSA 363:29. DOE filed its appearance pursuant to RSA 12-P:3, III on April 27, 2023.

1.3 The Commission issued Order No. 26,829 (May 26, 2023) suspending Liberty's proposed tariff for temporary and permanent rate increases pending further investigation.

1.4 Dartmouth, CENH, and CPCNH filed petitions to intervene.

1.5 The Commission held a prehearing conference on June 15, 2023, at which the Commission granted the petitions to intervene of Dartmouth, CENH, and CPCNH. The Commission issued Order No. 26,849 (June 15, 2023) transferring issues related to Liberty's Battery Storage Pilot Program from Docket No. DE 17-189 into this docket and allowing any existing parties to Docket No. DE 17-189 to file petitions to intervene no later than June 21, 2023.

¹ Liberty submitted a petition on April 28, 2023, that was rejected by the Commission as incomplete pursuant to Order No. 26,814 (May 2, 2023). Accordingly, Liberty's May 5, 2023, Petition serves as the basis for this proceeding.

1.6 On June 20, 2023, Liberty filed a letter advising the Commission that Liberty, DOE, and OCA had reached a settlement agreement with respect to temporary rates that would result in a temporary rate increase of \$5.5 million. On June 21, 2023, the Commission held a hearing on temporary rates.

1.7 On June 21, 2023, CLF filed a petition to intervene consistent with Order No. 26,849, and Wal-Mart filed a petition to intervene out-of-time. Liberty filed a letter on June 21, 2023, advising that Liberty did not object to CLF's or Wal-Mart's petitions to intervene.

1.8 The Commission issued Order No. 26,855 (June 30, 2023) approving temporary rates for effect July 1, 2023, and issued a Prehearing Order granting CLF and Wal-Mart's petitions to intervene.

1.9 On July 24, 2023, the Commission issued a procedural order approving a procedural schedule that included multiple rounds of discovery, technical sessions, settlement conferences, DOE and intervenor testimony, Company rebuttal testimony, and hearings. Liberty submitted an updated revenue requirement to the discovery service list on November 27, 2023, to reflect changes Liberty accepted during the discovery and audit processes. DOE, OCA, Dartmouth, CPCNH, and Wal-Mart filed initial testimony on December 13, 2023.

1.10 Also on December 13, 2023, DOE filed a Motion to Dismiss Rate Filing ("Motion to Dismiss") together with an Expedited Motion to Stay Proceeding. Liberty objected to DOE's Expedited Motion to Stay Proceeding; the OCA filed a letter in support of DOE's Expedited Motion.

1.11 The Commission issued Order No. 26,924 (December 29, 2023) granting DOE's Motion to Stay until January 31, 2024, with the exception of the Commission's consideration of DOE's Motion to Dismiss.

1.12 The Commission held two days of hearings on DOE's Motion to Dismiss on January 4 and January 23, 2024. The Commission subsequently extended the stay of the proceeding until February 16, 2024.

1.13 On February 5, 2024, Liberty filed a Motion to Extend Stay of the Proceeding to allow Liberty to file a third-party review of its accounting records. The DOE objected and Liberty responded to DOE's objection.

1.14 In Order No. 26,952 (Feb. 22, 2024) the Commission granted Liberty's motion, allowed Liberty to submit a third-party review by April 8, 2024, and extended the stay of the proceeding until April 15, 2024.

1.15 DOE filed a Motion for Clarification of Order No. 26,952 seeking clarification regarding the scope of work to be performed by Liberty's third-party consultant. Liberty filed a response.

1.16 The Commission issued an April 2, 2024, procedural order directing Liberty to develop a mutually agreeable scope of work for its proposed third-party review of its financial records and to file that scope of work by April 15, 2024. The procedural order also further extended the stay of this proceeding until May 15, 2024.

1.17 On April 15, 2024, Liberty filed an update on its discussions with the parties regarding the scope of work for its third-party review and advising that the parties were unable to reach

agreement. Together with this update, Liberty submitted the third-party report that had been completed pursuant to the schedule established in Order No. 26,952.

1.18 On April 19, 2024, DOE responded to Liberty's proposed scope of work for the third-party review and recommended that the Commission follow the audit process employed in Docket DG 14-180.

1.19 In Order No. 27,000 (Apr. 30, 2024) the Commission rejected Liberty's proposed scope of work for the third-party review and directed DOE to retain independent auditor(s) to complete four audits: two financial audits (one each of Liberty's 2022 and 2023 books and records), a management audit, and an information technology ("IT") audit. Order No. 27,000 further directed DOE to file a proposed procedural schedule for conducting these audits no later than May 20, 2024. DOE filed its proposed procedural schedule on May 20, 2024, which anticipated that the audits would not conclude until January 1, 2026, and that resolution of this case would not occur before June 30, 2026 (i.e., more than three years after the filing of Liberty's Petition).

1.20 The Settling Parties then engaged in settlement discussions to determine whether an agreement could be reached that would allow for resolution of this proceeding on a shorter timeline.

1.21 The Settling Parties have 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.

SECTION 2. REVENUE REQUIREMENT

2.1 The Settling Parties agree that Liberty will implement rates that allow for recovery of base distribution revenue of \$53.4 million on an annual basis. Based on analysis reviewed and agreed to by the Settling Parties, these rates represent modest changes to current rates. The rates to be implemented pursuant to this Settlement are described more fully in Section 9 below and shall be implemented for all services rendered on and after February 1, 2025.

2.2 Liberty agrees that it will not seek any changes to its base distribution rates until its next base distribution rate case. Accordingly, Liberty agrees to forego the rate increase requested in Liberty's May 29, 2024, motion filed in Docket No. DE 22-035.

2.3 The agreed annual base distribution revenue requirement of \$53.4 million reflects adjustments that have been made in order to reach settlement and shall not establish precedent for future rate proceedings. An Excel model showing the calculation of this revenue requirement is provided with this Settlement as Attachment 1.

2.4 The permanent rates proposed to be implemented pursuant to this Settlement shall be reconcilable to the effective date of temporary rates in this case, July 1, 2023, per Order No. 26,855 (June 30, 2023), in accordance with RSA 378:29 and as limited by Section 14 below.

SECTION 3. RATE BASE

3.1 The lead/lag days in Cash Working Capital shall be 24.20 days for distribution rates as approved in DE 19-064. No prepayments are included in rate base.

3.2 The Settling Parties agree to an adjusted rate base of \$182.1 million as of December 31, 2022, which includes Net Plant of \$221.8 million (“pre-2023 assets”). To reach this adjusted rate base amount, Liberty agrees, first, to the following four permanent reductions in Gross Plant as of December 31, 2022, totaling \$4,848,300: (1) Land and Land Rights (FERC Account 360.0) -- \$575,000; (2) Station Equipment (FERC Account 362.0) -- \$3,853,600; (3) Tools, Shop and Garage Equipment (FERC Account 394.0) -- \$417,200; and (4) Laboratory Equipment (FERC Account 395.0) -- \$2,500. Liberty shall account for the adjustment of \$4,848,300 in Liberty’s general ledger accounts as a debit to FERC Account 426.5, a below-the-line expense account, and a credit to FERC Account 101, according to the subaccounts identified.

Second, Liberty agrees to the following reduction in Gross Plant as of December 31, 2022, totaling \$207,200: Other Intangible Assets (FERC Account 303.0) -- \$207,200. Liberty shall account for the adjustment of \$207,200 in Liberty’s general ledger accounts as a debit to FERC Account 165 of \$155,000, a prepayment account, a debit to FERC Account 426.5 of \$52,200, a below-the-line expense account, and a credit to FERC Account 101, subaccount 303.0 of \$207,200.

Liberty agrees to provide the supporting entries upon approval of the Settlement Agreement.

SECTION 4. COST OF CAPITAL

4.1 The return on equity shall remain at 9.1%, which is the level approved by the Commission in Liberty’s prior rate case (DE 19-064) by Order No. 26,376 (June 30, 2020).

4.2 Any earnings above the allowed rate of return on rate base, as shown in Liberty’s year-end Form F-1 supplemental filings for calendar years 2024 and 2025, shall be returned to customers

through the Electric Reconciliation Adjustment Mechanism (“ERAM”) (see Section 6, below). If the Company has earnings above the allowed rate of return on rate base, the Settling Parties agree that the ERAM tariff will be updated to accommodate a return of those earnings to customers.

4.3 The Settling Parties agree that the capital structure shall remain at the level approved by the Commission in Liberty’s prior rate case (DE 19-064) by Order No. 26,376 (June 30, 2020) of 52.0 percent equity and 48.0 percent debt for purposes of determining Liberty’s revenue requirement in this proceeding, which results in the following after-tax weighted average cost of capital based on the current federal and state tax rates and Liberty’s current cost of long-term debt:

Description	Capital Structure	Cost of Capital	Weighted Cost of Capital	Tax Rate	Pre-Tax
Common Stock	52.00%	9.10%	4.732%	26.925%	6.476%
Long-Term Debt	48.00%	6.199%	2.976%		2.976%
Total	100.00%		7.708%		9.451%

SECTION 5. CAPITAL INVESTMENTS

5.1 Liberty’s annual capital investments shall be capped at \$20 million for each of the project years 2024 and 2025 (the “Annual Investment Cap”).

5.2 The Annual Investment Cap of \$20 million does not apply to any new Commission directives or other legal requirements to invest in capital during 2024 and 2025 (e.g., Docket No. DE 19-197 (the New Hampshire statewide data platform); Docket No. DE 23-063 (Joint Utilities' Petition for Waiver of Certain Provisions of the Puc 2200 Rules)).

5.3 The Settling Parties acknowledge that the Annual Investment Cap will preclude some discretionary investments.

5.4 The Settling Parties agree to discuss in good faith Liberty's ability to exceed the Annual Investment Cap to address issues that are not known at the time of this Settlement Agreement, and that Liberty may seek Commission approval to exceed the Annual Investment Cap.

5.5 Liberty shall be permitted to create a regulatory asset to defer incremental actual depreciation expense above the \$9,465,788 included in base distribution rates for capital projects placed in-service during 2024 and 2025, without interest, to be recovered in Liberty's next distribution rate case unless the underlying assets are found to be imprudent, and /or not used and useful.

5.6 Depreciation accrual rates will be developed using the Whole Life technique. A nine-year amortization of the theoretical reserve imbalance of \$9,593,417 will be applied. Depreciation rates shown in Attachment 6 shall be used by Liberty at least until the Commission issues a final order in Liberty's next base distribution rate case.

SECTION 6. ERAM

6.1 The Settling Parties agree that Liberty will be allowed to implement an Electric Reconciliation Adjustment Mechanism ("ERAM") through which it will recover or return: (a) Property Tax Adjustment Mechanism ("PTAM") cost reconciliations; (b) Regulatory Expense Adjustment Mechanism for Commission assessment and DOE and OCA consultant expense reconciliations; (c) Rate Case Expense recovery and reconciliations; (d) Recoupment Factor recovery and reconciliations; (e) Vegetation Management Program ("VMP") cost reconciliations; and (f) Revenue Decoupling Adjustment Factor ("RDAF") reconciliations consistent with

Liberty's proposal for these specific costs/refunds as set forth in the May 5, 2023, testimony of Erica L. Menard and in the proposed tariff included with this agreement in Attachment 9. The initial ERAM calculations are provided in Attachment 10.

For purposes of the PTAM reconciliation, \$4,788,786 is the amount of municipal property taxes included in base distribution rates as shown on Attachment 1, RR-3.6, line 9. For purposes of the Regulatory Expense Adjustment Mechanism, the amounts included in base distribution rates are \$641,655 for regulatory assessment fees and \$0 for PUC/DOE/OCA consultant expense as shown on Attachment 1, RR-2, line 93.

6.2 The PTAM sunsets after five property tax years (property tax year April 1, 2024 – March 31, 2025, will be the fifth property tax year) have been collected, subject to a final (sixth) year for reconciliation of costs and collections. After the sixth-year reconciliation, the PTAM will be removed from the ERAM and any remaining balance in the PTAM accounts will be transferred to the Regulatory Expense Adjustment Mechanism component within the ERAM.

SECTION 7. RATE CASE EXPENSE

7.1 The Settling Parties agree that Liberty shall recover fifty percent of Liberty-incurred rate case expenses through the ERAM, except for those expenses incurred for the third-party review of Liberty's accounting records referenced in Paragraphs 1.13 through 1.19 above, which will not be recovered from ratepayers. The remaining fifty percent of Liberty-incurred rate case expenses and all of the third-party accounting review related expenses shall be funded by Liberty's shareholders. The DOE and OCA rate case expenses shall be recovered in the manner described in section 7.2 below.

7.2 The Settling Parties agree that Liberty shall recover all rate case expenses incurred by DOE and OCA through the ERAM.

7.3 Consistent with Puc 1905.02, Liberty agrees to submit, within 30 days of a Commission Order, an accounting of its rate case expenses, with appropriate supporting documentation for review by the DOE and OCA and subsequent approval by the Commission. DOE shall provide its recommendation for rate case expense recovery to the parties and Commission within 90 days. Liberty shall be authorized to recover its estimated rate case expenses, as provided in Sections 7.1 and 7.2, through the ERAM beginning with service rendered as of February 1, 2025, as shown in Attachment 10. A detailed estimate of the rate case expenses to be recovered starting on February 1, 2025 is presented on Attachment 10, Schedule 4. Any necessary adjustments to rate case expenses, including adjustments for any invoices received subsequent to a Commission Order approving this Settlement or approving rate case expenses, will be reviewed as part of a future ERAM proceeding.

SECTION 8. VEGETATION MANAGEMENT

8.1 The Settling Parties agree that the Vegetation Management Program spending level in base distribution rates shall be \$2.5 million per year.

8.2 Beginning with 2025 and until Liberty's next base distribution rate case is resolved, the parties agree that Liberty shall dedicate one Vegetation Management crew to hazard tree removal, and that during calendar years 2025 and 2026 the Company shall complete 117 miles of tree trimming.

8.3 In addition to the \$2.5 million recovered through base distribution rates, Liberty may seek recovery of up to an additional \$500,000 per year through the ERAM for prudently incurred Vegetation Management expenses for a total Vegetation Management annual recovery cap of \$3 million in 2025 and until changed in a base distribution rate case.

8.4 This section does not settle the issues raised in Docket No. DE 24-073. Further, the Settling Parties agree that any findings and /or remedies resulting from DE 24-073 will not be applied to the Vegetation Management Program Years 2025 and 2026 which are covered by this Settlement.

SECTION 9. RATE DESIGN

9.1 The Settling Parties agree that the rates provided in Attachment 2 will be implemented effective February 1, 2025. Bill impacts are shown on Attachment 3 and billing determinants are provided in Attachment 4.

9.2 The Settling Parties agree that the EV-L-E and EV-M-E rates as proposed in the Direct Testimony of Company witness Gregory Tillman will be implemented as transitional rate options to its EV-M and EV-L electric vehicle charging rates. In addition, the Settling Parties support consolidation of Liberty's time-of-use ("TOU") models for the EV-L, EV-M, EV-L-E, and EV-M-E TOU rates. Liberty will use the TOU model currently used to establish rates for its EV-L and EV-M rates utilizing the ratios of the square of the hourly loads to differentiate the rates by time periods. Liberty will also continue to use the existing TOU model to establish rates for the D-11 (Battery Storage) and D-12 (Residential Plug In Electric Vehicle) rates as approved in Docket No. DE 17-189 by Order No. 26,209 (Jan. 17, 2019), without modification.

9.3 Liberty agrees to implement, on a pilot basis, an alternative rate option for G-1 customers, called Rate G-1 CPT. Rate G-1 CPT will go into effect on the first day of the month following 60 days after the final order in this docket, and will remain in effect until the conclusion of the Company's next general rate case (the "Pilot Period").

9.4 During the Pilot Period, participation in Rate G-1 CPT will be available on a first-come, first-served basis, based on the time of a G-1 customer's written enrollment request sent to the customer's Liberty account representative via e-mail. During the Pilot Period, participation in Rate G-1 CPT will be capped at 15 G-1 customers.

9.5 Rate G-1 CPT will incorporate a coincident peak-based transmission demand charge in lieu of the existing Rate G-1 kWh-based transmission charges. A participating customer's monthly transmission demand charge will be based on the customer's average 60-minute grid demand (measured in kilowatts) registered during Liberty's monthly coincident peak load hour as determined for the purposes of reporting Regional Network Service loads to ISO New England. Liberty will include the timestamp (i.e., date and hour ending) of the company's monthly coincident peak load hour for the preceding month on a participating Rate G-1 CPT customer's monthly bill during the Pilot Program.

9.6 Rate G-1 CPT will contain three defined billing periods for the purposes of assessing distribution demand charges:

- (a) A new "critical peak" period of 3:00 pm to 8:00 pm weekdays, excluding holidays;
- (b) The existing Rate G-1 "on-peak" period of 8:00 am to 9:00 pm weekdays, excluding holidays; and

(c) The existing Rate G-1 “off-peak” period of 9:00 pm to 8:00 am daily Monday through Friday, and all day on Saturdays, Sundays, and holidays.

9.7 Rate G-1 CPT will incorporate time-differentiated on-peak distribution demand rates, with no energy-based distribution charges, based on the costs reflected in the time-of-use cost allocation models agreed to in this docket and as presented in Attachment 11. The critical peak period demand charges will be designed to recover the distribution costs allocated to the defined period within the model. All remaining distribution costs will be recovered via the on-peak demand charge. As currently defined within Rate G-1, no distribution demand charges will be applied to the off-peak period.

9.8 The billing demand used to assess the monthly critical-peak distribution demand charge, under ordinary load conditions shall be the greater of the following:

- (a) The greatest fifteen-minute peak during the critical-peak hours which occurs during such month as measured in kilowatts, or
- (b) 90% of the greatest fifteen-minute peak during the critical-peak hours occurring during such month as measured in kilovolt-amperes where the Customer’s kilowatt Demand exceeds 75 kilowatts.

9.9 The billing demand used to assess the monthly on-peak distribution demand charges to Rate G-1 CPT customers will remain as currently defined within Rate G-1.

9.10 During the Pilot Period, Liberty will increase the monthly customer charge of the participating Rate G-1 CPT customers by \$250 to recover the costs of implementing the pilot and manual billing processing costs associated with the Pilot Period.

9.11 All otherwise applicable components of Rate G-1 will remain in effect for Rate G-1 CPT customers.

9.12 Liberty agrees to incorporate data from the Pilot Period and to propose a continuation of Rate G-1 CPT as a permanent rate available to all G-1 customers on a voluntary, opt-in basis in the Company's next general rate case. In that future docket, Liberty agrees to assess the impact of and, as appropriate, incorporate seasonal rate differentiation for all TOU rates, including Rate G-1 and Rate G-1 CPT customers, to increase the accuracy of price signal differentiation within the distribution demand charges.

9.13 The Settling Parties agree that CPCNH may file a petition for approval of a limited pilot for a voluntary opt-in to Liberty's 3-part TOU residential rate, D-11, potentially for whole house residential accounts.

SECTION 10. CUSTOMER PROGRAMS

10.1 The Settling Parties agree that Liberty shall not implement its proposed Arrearage Management Program and Fee Free Payment program.

10.2 Liberty may propose these customer programs in its next base distribution rate case.

SECTION 11. REVENUE DECOUPLING

11.1 The Settling Parties agree that Liberty shall maintain its existing revenue decoupling mechanism until the next base distribution rate case, as modified below. Revenue decoupling revenue per customer targets resulting from this settlement to be used until Liberty's next base rate change are shown on Attachment 5.

11.2 Liberty will be permitted to recover its proposed reconciliations for decoupling year 2 (2022-2023) now pending in Docket No. DE 23-081 and for decoupling year 3 (2023-2024) now pending in Docket No. DE 24-099 up to a three percent cap. Decoupling revenues above the three percent cap for decoupling year 1 (2021/2022) in the amount of \$337,913 and for decoupling year 2 (2022/2023) in the amount of \$2,090,094 will be deferred for recovery in the next base distribution rate case. Interest on the deferred balances for decoupling years 1 and 2 shall cease to accrue as of July 1, 2024. Calculations showing these deferred amounts are attached as Attachment 7.

11.3 Liberty agrees to apply its deferred overcollection from the lost base revenue from energy efficiency mechanism to offset the decoupling year 1 (2021/2022) and year 2 (2022/2023) deferral amount. As of the end of September 2024, this lost base revenue liability amount equals \$(622,121).

11.4 Beginning with decoupling year 3 (2023/2024) and continuing until changed by Order of the Commission (but no earlier than the conclusion of Liberty next general distribution rate case) Liberty will not recover any decoupling revenues above the three percent cap. However, in decoupling years where the calculated decoupling revenue is less than the three percent cap, Liberty may draw from the net balance of the deferral, as set forth in Sections 11.2 and 11.3, and recover amounts equal to the difference between the three percent cap and the calculated decoupling revenue for that decoupling year. As shown in Attachment 7, the decoupling revenue amount under the three percent cap for decoupling year 3 is \$218,101. Accordingly, the Company is permitted to draw down the deferral from decoupling years 1 and 2 in the amount of \$218,101 and begin recovering this amount through the ERAM rates effective February 1, 2025.

11.5 Liberty agrees to propose a new or revised revenue decoupling mechanism in its next base distribution rate case.

SECTION 12. TEST YEAR AND SUBSEQUENT BASE DISTRIBUTION RATE CASE

12.1 The test year for Liberty's next base distribution rate case shall be no sooner than the twelve-month period ending December 31, 2025.

12.2 Liberty may propose a multi-year rate plan, a performance based ratemaking plan, and/or step adjustments in its next base distribution rate case.

SECTION 13. OTHER ISSUES

13.1 The Settling Parties agree that the DOE-led audits mandated by the Commission in Order No. 27,000 (April 30, 2024) are to be limited to an information technology ("IT") audit. This IT audit would be led by DOE and may encompass all elements of Liberty's conversion to its SAP financial system. The costs of this IT audit shall be borne entirely by Liberty's shareholders.

13.2 The Line extension policy will be consolidated and revised as set forth in Attachment 9 (the Company's tariff).

SECTION 14. RECOUPMENT

14.1 The Settling Parties agree that Liberty may collect recoupment in the amount of (\$16,862) as detailed on Attachment 8. The Settling Parties agree that this amount does not include recoupment during the period this proceeding was stayed per order of the Commission.

SECTION 15. NON-RECURRING CHARGES

15.1 The Settling Parties agree to the following terms regarding non-recurring charges as defined in the Tariff NHPUC No. 23 provided in Attachment 9:

15.1.a Service connection charge for customers requesting new service during normal business hours is eliminated as separate fee.

15.1.b Service reconnection to reestablish service charge during normal business hours will be \$50.

15.1.c Establishment or reestablishment of service outside of normal business hours will be \$80.

SECTION 16. TARIFF

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

16.2 Regional Greenhouse Gas Initiative (“RGGI”) costs have moved from the Company’s Transmission Charge to its Stranded Cost Charge as shown in Attachment 9.

SECTION 17. EFFECTIVE DATE

17.1 This Settlement Agreement is subject to and shall become effective upon Commission approval, with new permanent base distribution rates to become effective as of February 1, 2025. The Settling Parties shall pursue Commission approval on or before January 31, 2025.

SECTION 18. EXOGENOUS EVENTS

18.1 Liberty may, subject to review and approval of the Commission, adjust distribution rates upward or downward resulting from Exogenous Events, as defined and described below.

18.2 To the extent that the revenue impact of such event is not otherwise captured through another rate mechanism that has been approved by the Commission, for any singular (not collective) event defined as a State Initiated Cost Change, Federally Initiated Cost Change, or Externally Imposed Accounting Rule Change, Liberty may adjust distribution rates upward, and shall adjust distribution rates downward if the total annual distribution revenue impact (positive or negative) of such event exceeds \$300,000 Exogenous Events Rate Adjustment Threshold) for calendar years 2024 and 2025, subject to Commission approval.

18.3 Definitions

18.3.1. “State Initiated Cost Change” shall mean any externally imposed changes in state or local law or regulatory mandates or changes in other precedents governing income, revenue, sales, franchise, or property or any new or amended regional, state or locally imposed fees (but excluding the effects of routine annual changes in municipal, county and state property tax rates and revaluations), which impose new or expanded obligations, duties or undertakings, or remove existing obligations, duties or undertakings, and which individually decrease or increase Liberty's distribution costs, revenue, or revenue requirement.

18.3.2. “Federally Initiated Cost Change” shall mean any externally imposed changes in the federal tax rates, laws, regulations, or precedents governing income, revenue, or sales taxes or any changes in federally imposed fees, which impose new or expanded obligations,

duties or undertakings, or remove existing obligations, duties or undertakings, and which individually decrease or increase Liberty's distribution costs, revenue, or revenue requirement.

18.3.3. "Externally Imposed Accounting Rule Change" shall be deemed to have occurred if the Financial Accounting Standards Board or the Securities and Exchange Commission adopts a rule that requires utilities to use a new accounting rule that is not being utilized by Liberty as of January 1, 2025.

18.4. No later than the last day of February of 2025 and 2026, Liberty shall file with the Commission, DOE, and OCA a Certification of Exogenous Events for the prior calendar year. If in the prior calendar year Liberty incurs any changes in distribution costs, revenue, or revenue requirement in excess of the Exogenous Events Rate Adjustment Threshold in connection with any Exogenous Event Liberty shall provide specific and sufficient detail supporting each change and the Exogenous Event(s) associated with each change for the Commission, DOE, and OCA to assess the proposed Exogenous Event rate adjustment. If no Exogenous Events causing changes in excess of the Exogenous Events Rate Adjustment Threshold occurred during the prior calendar year, Liberty shall certify that fact in its annual Certification of Exogenous Events. On or before March 31 of 2025 and 2026, the DOE and the OCA may make a filing requesting an Exogenous Event rate decrease or contesting an Exogenous Event rate increase proposed by Liberty. Any adjustments to Liberty's revenue requirement for Exogenous Events shall be subject to review and approval as deemed necessary by the Commission, and shall be implemented for service rendered on or after May 1 of that year. Any such filings are limited to one per calendar year, provided that

any costs incurred or saved due to such Exogenous Events shall be deferred for consolidation in the single filing.

18.5 Any Exogenous Event adjustment made pursuant to this Settlement Agreement will remain in rates only until the effective date of new rates determined in the Company's next distribution base rate proceeding.

SECTION 19 GENERAL PROVISIONS

19.1 This Settlement Agreement is expressly conditioned on 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 Settlement 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 any party to this proceeding or by the Commission for any other purpose.

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

19.3 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 proposed are just and reasonable under the circumstances.

19.4 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 in this Settlement Agreement, is true and valid. 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.

19.5 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 such 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 such 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.

19.6 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.

19.7 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 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. The Settling Parties agree that the Settlement Agreement and settlement discussions are not intended to prejudice, be used in any manner against, or bind parties to any positions in subsequent dockets, except as related to enforcement of the terms of the Settlement Agreement.

19.8 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 20. CONCLUSION

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

Dated: November 15, 2024

Liberty Utilities (Granite State Electric) Corp. d/b/a
Liberty



By its Attorney, Michael J. Sheehan

Dated: November 15, 2024

New Hampshire Department of Energy

By its Attorney, Paul B. Dexter

Dated: November 15, 2024

Office of the Consumer Advocate

By the Consumer Advocate, Donald M. Kreis

Dated: November 15, 2024

Trustees of Dartmouth College

By

Dated: November 15, 2024

Clean Energy New Hampshire

/s/ Christopher Skoglund
By Christopher Skoglund, Director

Dated: November 15, 2024

Conservation Law Foundation

/s/ Nick Krakoff

By Nick Krakoff, Esq.

Dated: November 15, 2024

Wal-Mart, Inc

/s/Melissa M. Horne

By Melissa M. Horne, Esq.

Dated: November 15, 2024

Community Power Coalition of New Hampshire

By Clifton Below, Chair

Table of Appendices

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2. Rates and charges in effect as of February 1, 2025	
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5. Revenue decoupling revenue per customer (RPC) targets	
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7. Decoupling deferral amounts	
8. Recoupment calculation	
9. Tariff NHPUC No. 23	
10. Electric Reconciliation Adjustment Mechanism (ERAM)	
11. Time of Use Rate Models	

Dated: November 15, 2024

Liberty Utilities (Granite State Electric) Corp. d/b/a
Liberty

By its Attorney, Michael J. Sheehan

Dated: November 15, 2024

New Hampshire Department of Energy



By its Attorney, Paul B. Dexter

Dated: November 15, 2024

Office of the Consumer Advocate

By the Consumer Advocate, Donald M. Kreis

Dated: November 15, 2024

Trustees of Dartmouth College

By

Dated: November 15, 2024

Clean Energy New Hampshire

By Sam Evans-Brown, Executive Director

Dated: November 15, 2024

Liberty Utilities (Granite State Electric) Corp. d/b/a
Liberty

By its Attorney, Michael J. Sheehan

Dated: November 15, 2024

New Hampshire Department of Energy

By its Attorney, Paul B. Dexter

Dated: November 15, 2024

Office of the Consumer Advocate



By the Consumer Advocate, Donald M. Kreis

Dated: November 15, 2024

Trustees of Dartmouth College

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Clean Energy New Hampshire

By Sam Evans-Brown, Executive Director

Dated: November 15, 2024

Conservation Law Foundation

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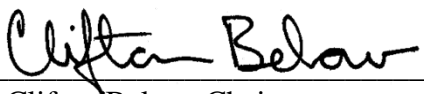
Dated: November 15, 2024

Wal-Mart, Inc

By Melissa M. Horne, Esq.

Dated: November 18, 2024

Community Power Coalition of New Hampshire



By Clifton Below, Chair

Dated: November 15, 2024

Liberty Utilities (Granite State Electric) Corp. d/b/a
Liberty

By its Attorney, Michael J. Sheehan

Dated: November 15, 2024

New Hampshire Department of Energy

By its Attorney, Paul B. Dexter

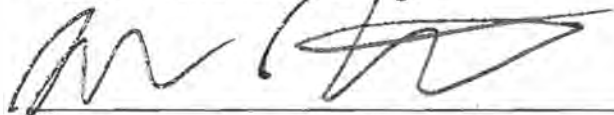
Dated: November 15, 2024

Office of the Consumer Advocate

By the Consumer Advocate, Donald M. Kreis

Dated: November 15, 2024

Trustees of Dartmouth College



By Joshua M Keniston SUP

Dated: November 15, 2024

Clean Energy New Hampshire

By Sam Evans-Brown, Executive Director