



March 13, 2013

Hon. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *Granite State Electric Company*
Docket No. ER13-_____
Filing of Rate Updates Under Borderline Sales Tariff and
Request for Waiver of Commission Notice Requirements

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (16 U.S.C. § 824d), Granite State Electric Company, d/b/a Liberty Utilities (“Liberty Utilities”) hereby submits for Federal Energy Regulatory Commission (“Commission”) acceptance the attached revised version of Schedule III of its Borderline Sales Tariff, FERC Electric Tariff Volume No. 2 (“Tariff”), to include the updates discussed below to Liberty Utilities’ distribution service rates (collectively, “Rate Updates”). Liberty Utilities respectfully requests waiver of the Commission’s notice requirements to permit the attached Rate Updates to go into effect as of the effective dates shown in revised Schedule III, List of Rate Changes, to the Borderline Sales Tariff.

I. STATEMENT OF REASON

Pursuant to Liberty Utilities’ Tariff, Liberty Utilities makes borderline sales under retail delivery service tariffs approved by the New Hampshire Public Utilities Commission (“PUC”), for the purpose of providing electric energy to specified retail locations in the service territory of another utility where the utility’s distribution facilities are not readily available to provide service and where it is more economical for Liberty Utilities to provide service.¹ From time to time, Liberty Utilities files with the PUC proposed revisions to the base distribution service rates and to the non-base distribution service rates, which are components of the retail delivery service tariffs that underlie the Tariff.² After the PUC issues orders on Liberty Utilities’ proposed base distribution service rate revisions, Liberty Utilities is required by the Tariff to file documentation with the Commission regarding the PUC’s actions.³

Prior to the submittal of the instant filing, Liberty Utilities most recently filed such documentation with the Commission in August 2012. Since Liberty Utilities last filing, the PUC has approved several changes to Liberty Utilities’ base distribution service rates and non-base distribution service rates. Accordingly, Liberty Utilities is filing revised Schedule III to reflect

¹ Borderline Sales Tariff, Schedule I, Section A.

² Borderline Sales Tariff, Schedule I, Section F.

³ *Id.*



these new rates. Liberty Utilities respectfully requests the Commission approve these Rate Updates pursuant to its policy of allowing the wholesale rates under a borderline sales tariff to mirror the retail rates approved by the selling utility's state commission.⁴

II. REQUEST FOR WAIVER OF COMMISSION NOTICE REQUIREMENTS

Pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), Liberty Utilities respectfully requests waiver of Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3) in order to permit the Rate Updates included in this filing to go into effect as of the effective dates shown in revised Schedule III, List of Rate Changes, to the Tariff. Granting the requested waiver is appropriate because the Rate Updates were filed and fully adjudicated in proceedings before the PUC. Therefore, all interested parties were provided with timely notice regarding the provisions of the Rate Updates. For these reasons, the Commission should grant Liberty Utilities' request for waiver of the notice requirements.

III. ATTACHMENTS

Attached hereto are the following documents:

1. A clean version of Schedule III;
2. A redline version of Schedule III showing the changes from the currently effective Schedule III; and
3. For informational purposes and ease of reference, a copy of the PUC orders approving the Rate Updates.

III. SERVICE

Copies of this filing have been served upon regulators in the State of New Hampshire and Liberty Utilities borderline sales customers.

Thank you for your attention to this matter. Should you have any questions, please contact the undersigned.

⁴ *Prior Notice and Filing Requirements Under Section II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,994 (1993) (“*Prior Notice Order*”), citing, *Massachusetts Electric Co.*, 61 FERC ¶ 61,278, at 62,064 (1992) (“[I]n recognition of the character of the borderline service provided, . . . we accepted for filing the wholesale rate that matched the retail rate the Massachusetts Department of Public Utilities set.”); *Northwestern Wisconsin Electric Co.*, 65 FERC ¶ 61,302, at 62,391 n.7 (1993) (“For borderline agreements, the Commission has adopted as the wholesale rate a state commission-approved retail rate.”)



Respectfully Submitted,

Shannon P. Coleman

Shannon P. Coleman
Attorney for
Granite State Electric Company

Granite State Electric Company

List of Rate Changes

**Base Distribution
Rate Changes**

<u>Order No.</u>	<u>Date</u>	<u>Docket</u>	<u>Description of Rates Adjusted</u>	<u>Effective Date of Rate Change</u>
25,446	December 27, 2012	DE 12-341	Annual Retail Rate Adjustment Filing	January 1, 2013

**Non-base
Distribution Rate
Changes**

<u>Order No.</u>	<u>Date</u>	<u>Docket</u>	<u>Description of Rates Adjusted</u>	<u>Effective Date of Rate Change</u>
25,416	September 21, 2012	DE 12-023	Default Service Rates - Large Commercial and Industrial Customers	November 1, 2012
25,441	December 20, 2012	DE 12-023	Default Service Rates - Large Commercial and Industrial Customers	February 1, 2013

RATES EFFECTIVE FEBRUARY 1, 2013
FOR USAGE ON AND AFTER FEBRUARY 1, 2013

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.36						\$4.36
	1st 250 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
	Excess 250 kWh	\$0.04294	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.06908
	Off Peak kWh	\$0.01577	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04191
	Farm kWh	\$0.02564	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.05178
	D-6 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
D-10	Customer Charge	\$7.49						\$7.49
	On Peak kWh	\$0.04776	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.07207
	Off Peak kWh	\$0.00011	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.02442
G-1	Customer Charge	\$93.37						\$93.37
	Demand Charge	\$4.07						\$4.07
	On Peak kWh	\$0.00152	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02714
	Off Peak kWh	\$0.00019	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02581
G-2	Customer Charge	\$24.98						\$24.98
	Demand Charge	\$4.49						\$4.49
	All kWh	\$0.00049	\$0.00223	\$0.00055	\$0.01988	\$0.00330	\$0.00150	\$0.02795
G-3	Customer Charge	\$5.52						\$5.52
	All kWh	\$0.03090	\$0.00223	\$0.00055	\$0.01971	\$0.00330	\$0.00150	\$0.05819
M	All kWh	\$0.00019	\$0.00223	\$0.00055	\$0.00900	\$0.00330	\$0.00149	\$0.01676
	<i>see tariff for luminaires & pole charges</i>							
T	Customer Charge	\$5.64						\$5.64
	All kWh	\$0.02029	\$0.00223	\$0.00055	\$0.01653	\$0.00330	\$0.00150	\$0.04440
V	Minimum Charge	\$5.89						\$5.89
	All kWh	\$0.02859	\$0.00223	\$0.00055	\$0.02094	\$0.00330	\$0.00152	\$0.05713

(1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01

(2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10

Rate Class	D	D-10	G-3	T	V
Credit per kWh	(\$0.00017)	(\$0.00008)	(\$0.00017)	(\$0.00007)	(\$0.00009)

(3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00037) per kWh for usage on and after 7/1/12

(4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of (\$0.00001) per kWh for usage on and after 1/1/13

System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
<u>System Benefits Charge-Statewide Energy Assistance Program</u>	<u>\$0.00150</u>	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.07525	Effective 11/1/12, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.09414	Effective 2/1/13, usage on and after
	\$0.07583	Effective 3/1/13, usage on and after
	\$0.06643	Effective 4/1/13, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Dated: January 03, 2013
Effective: February 01, 2013

Issued by: /s/ Victor D. Del Vecchio
Victor D. Del Vecchio
Title: President

Authorized by Docket No. DE 12-023, NHPUC Order No
25,441, Dated December 20, 2012

RATES EFFECTIVE JANUARY 1, 2013
FOR USAGE ON AND AFTER JANUARY 1, 2013

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.36						\$4.36
	1st 250 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
	Excess 250 kWh	\$0.04294	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.06908
	Off Peak kWh	\$0.01577	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04191
	Farm kWh	\$0.02564	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.05178
	D-6 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
D-10	Customer Charge	\$7.49						\$7.49
	On Peak kWh	\$0.04776	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.07207
	Off Peak kWh	\$0.00011	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.02442
G-1	Customer Charge	\$93.37						\$93.37
	Demand Charge	\$4.07						\$4.07
	On Peak kWh	\$0.00152	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02714
	Off Peak kWh	\$0.00019	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02581
G-2	Customer Charge	\$24.98						\$24.98
	Demand Charge	\$4.49						\$4.49
	All kWh	\$0.00049	\$0.00223	\$0.00055	\$0.01988	\$0.00330	\$0.00150	\$0.02795
G-3	Customer Charge	\$5.52						\$5.52
	All kWh	\$0.03090	\$0.00223	\$0.00055	\$0.01971	\$0.00330	\$0.00150	\$0.05819
M	All kWh	\$0.00019	\$0.00223	\$0.00055	\$0.00900	\$0.00330	\$0.00149	\$0.01676
	<i>see tariff for luminaires & pole charges</i>							
T	Customer Charge	\$5.64						\$5.64
	All kWh	\$0.02029	\$0.00223	\$0.00055	\$0.01653	\$0.00330	\$0.00150	\$0.04440
V	Minimum Charge	\$5.89						\$5.89
	All kWh	\$0.02859	\$0.00223	\$0.00055	\$0.02094	\$0.00330	\$0.00152	\$0.05713

(1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01

(2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10

Rate Class	D	D-10	G-3	T	V
Credit per kWh	(\$0.00017)	(\$0.00008)	(\$0.00017)	(\$0.00007)	(\$0.00009)

(3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00037) per kWh for usage on and after 7/1/12

(4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of (\$0.00001) per kWh for usage on and after 1/1/13

System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
<u>System Benefits Charge-Statewide Energy Assistance Program</u>	<u>\$0.00150</u>	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.07525	Effective 11/1/12, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.06521	Effective 11/1/12, usage on and after
	\$0.07697	Effective 12/1/12, usage on and after
	\$0.08925	Effective 01/1/13, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Dated: January 02, 2013
Effective: January 01, 2013

Issued by: /s/ Victor D. Del Vecchio
Victor D. Del Vecchio
Title: President

Authorized by Docket No. DE 12-341,
NHPUC Order No 25,446, Dated
December 27, 2012

RATES EFFECTIVE NOVEMBER 1, 2012
FOR USAGE ON AND AFTER NOVEMBER 1, 2012

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.36						\$4.36
	1st 250 kWh	\$0.01650	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.04025
	Excess 250 kWh	\$0.04295	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.06670
	Off Peak kWh	\$0.01578	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.03953
	Farm kWh	\$0.02565	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.04940
	D-6 kWh	\$0.01650	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.04025
D-10	Customer Charge	\$7.49						\$7.49
	On Peak kWh	\$0.04777	\$0.00223	\$0.00055	\$0.01663	\$0.00330	\$0.00089	\$0.07137
	Off Peak kWh	\$0.00012	\$0.00223	\$0.00055	\$0.01663	\$0.00330	\$0.00089	\$0.02372
G-1	Customer Charge	\$93.37						\$93.37
	Demand Charge	\$4.07						\$4.07
	On Peak kWh	\$0.00153	\$0.00223	\$0.00055	\$0.01394	\$0.00330	\$0.00090	\$0.02245
	Off Peak kWh	\$0.00020	\$0.00223	\$0.00055	\$0.01394	\$0.00330	\$0.00090	\$0.02112
G-2	Customer Charge	\$24.98						\$24.98
	Demand Charge	\$4.49						\$4.49
	All kWh	\$0.00050	\$0.00223	\$0.00055	\$0.01625	\$0.00330	\$0.00090	\$0.02373
G-3	Customer Charge	\$5.52						\$5.52
	All kWh	\$0.03091	\$0.00223	\$0.00055	\$0.01658	\$0.00330	\$0.00090	\$0.05447
M	All kWh	\$0.00020	\$0.00223	\$0.00055	\$0.01094	\$0.00330	\$0.00091	\$0.01813
	<i>see tariff for luminaires & pole charges</i>							
T	Customer Charge	\$5.64						\$5.64
	All kWh	\$0.02030	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00090	\$0.04400
V	Minimum Charge	\$5.89						\$5.89
	All kWh	\$0.02860	\$0.00223	\$0.00055	\$0.01870	\$0.00330	\$0.00090	\$0.05428

(1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01

(2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10

Rate Class	D	D-10	G-3	T	V
Credit per kWh	(\$0.00017)	(\$0.00008)	(\$0.00017)	(\$0.00007)	(\$0.00009)

(3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00037) per kWh for usage on and after 7/1/12

(4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of \$0.00000 per kWh for usage on and after 7/1/11

System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
<u>System Benefits Charge-Statewide Energy Assistance Program</u>	<u>\$0.00150</u>	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/12, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/12, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.07525	Effective 11/1/12, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.06521	Effective 11/1/12, usage on and after
	\$0.07697	Effective 12/1/12, usage on and after
	\$0.08925	Effective 01/1/13, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Dated: September 24, 2012
Effective: November 01, 2012

Issued by: /s/ Victor D. Del Vecchio
Victor D. Del Vecchio
Title: President

**Granite State Electric Company
List of Rate Changes**

**Base Distribution
Rate Changes**

<u>Order No.</u>	<u>Date</u>	<u>Docket</u>	<u>Description of Rates Adjusted</u>	<u>Effective Date of Rate Change</u>
25,446	December 27, 2012	DE 12-341	Annual Retail Rate Adjustment Filing	January 1, 2013

- Deleted: 307
- Deleted: 11-221
- Deleted: Storm Fund Recovery
- Deleted: 2012
- Deleted: 28, 2011
- Deleted: 25,377

**Non-base
Distribution Rate
Changes**

<u>Order No.</u>	<u>Date</u>	<u>Docket</u>	<u>Description of Rates Adjusted</u>	<u>Effective Date of Rate Change</u>
25,416	September 21, 2012	DE 12-023	Default Service Rates - Large Commercial and Industrial Customers	November 1, 2012
25,441	December 20, 2012	DE 12-023	Default Service Rates - Large Commercial and Industrial Customers	February 1, 2013

- Deleted: 25,270
- Deleted: 304
- Deleted: December 20, 2011
- Deleted: 11-016
- Deleted: February
- Deleted: 25,338
- Deleted: 376
- Deleted: June 22
- Deleted: August
- Deleted: 2012

RATES EFFECTIVE FEBRUARY 1, 2013
FOR USAGE ON AND AFTER FEBRUARY 1, 2013

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm/Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.36						\$4.36
	1st 250 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
	Excess 250 kWh	\$0.04294	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.06908
	Off Peak kWh	\$0.01577	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04191
	Farm kWh	\$0.02564	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.05178
D-10	D-6 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
D-10	Customer Charge	\$7.49						\$7.49
	On Peak kWh	\$0.04776	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.07207
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G-1	Customer Charge	\$93.37						\$93.37
	Demand Charge	\$4.07						\$4.07
	On Peak kWh	\$0.00152	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02714
G-1	Off Peak kWh	\$0.00019	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02581
G-2	Customer Charge	\$24.98						\$24.98
	Demand Charge	\$4.49						\$4.49
	All kWh	\$0.00049	\$0.00223	\$0.00055	\$0.01988	\$0.00330	\$0.00150	\$0.02795
G-3	Customer Charge	\$5.52						\$5.52
	All kWh	\$0.03090	\$0.00223	\$0.00055	\$0.01971	\$0.00330	\$0.00150	\$0.05819
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	All kWh	\$0.02029	\$0.00223	\$0.00055	\$0.01653	\$0.00330	\$0.00150	\$0.04440
V	Minimum Charge	\$5.89						\$5.89
	All kWh	\$0.02859	\$0.00223	\$0.00055	\$0.02094	\$0.00330	\$0.00152	\$0.05713

- (1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01
- (2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10

Rate Class	D	D-10	G-3	T	V
Credit per kWh	(\$0.00017)	(\$0.00008)	(\$0.00017)	(\$0.00007)	(\$0.00009)
- (3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00037) per kWh for usage on and after 7/1/12
- (4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of (\$0.00001) per kWh for usage on and after 1/1/13

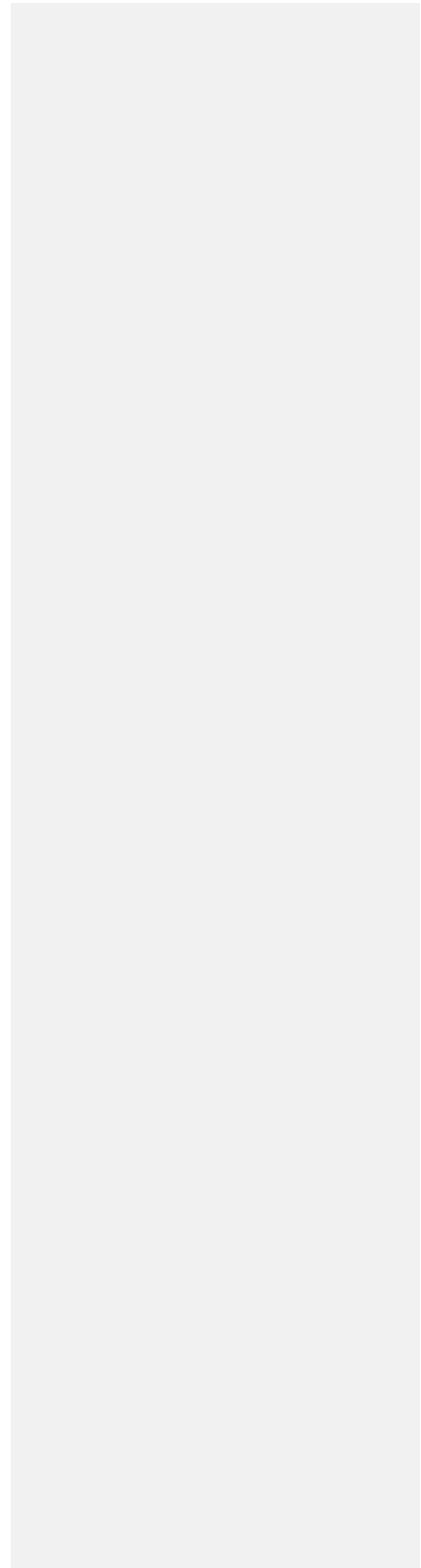
System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
System Benefits Charge-Statewide Energy Assistance Program	\$0.00150	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
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Default Service Charge		
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Medium / Large Commercial & Industrial (G-1, G-2)	\$0.09414	Effective 2/1/13, usage on and after
	\$0.07583	Effective 3/1/13, usage on and after
	\$0.06643	Effective 4/1/13, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Dated: January 03, 2013
Effective: February 01, 2013

Issued by: /s/ Victor D. Del Vecchio
Victor D. Del Vecchio
Title: President

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| [Authorized by Docket No. DE 12-023, NHPUC Order No 25,441, Dated December 20, 2012](#)



N.H.P.U.C. No. 18 - ELECTRICITY
LIBERTY UTILITIES

RATES EFFECTIVE JANUARY 1, 2013
FOR USAGE ON AND AFTER JANUARY 1, 2013

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.36						\$4.36
	1st 250 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
	Excess 250 kWh	\$0.04294	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.06908
	Off Peak kWh	\$0.01577	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04191
	Farm kWh	\$0.02564	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.05178
	D-6 kWh	\$0.01649	\$0.00223	\$0.00055	\$0.01856	\$0.00330	\$0.00150	\$0.04263
D-10	Customer Charge	\$7.49						\$7.49
	On Peak kWh	\$0.04776	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.07207
	Off Peak kWh	\$0.00011	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00151	\$0.02442
G-1	Customer Charge	\$93.37						\$93.37
	Demand Charge	\$4.07						\$4.07
	On Peak kWh	\$0.00152	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02714
	Off Peak kWh	\$0.00019	\$0.00223	\$0.00055	\$0.01804	\$0.00330	\$0.00150	\$0.02581
G-2	Customer Charge	\$24.98						\$24.98
	Demand Charge	\$4.49						\$4.49
	All kWh	\$0.00049	\$0.00223	\$0.00055	\$0.01988	\$0.00330	\$0.00150	\$0.02795
G-3	Customer Charge	\$5.52						\$5.52
	All kWh	\$0.03090	\$0.00223	\$0.00055	\$0.01971	\$0.00330	\$0.00150	\$0.05819
M	All kWh	\$0.00019	\$0.00223	\$0.00055	\$0.00900	\$0.00330	\$0.00149	\$0.01676
	<i>see tariff for luminaires & pole charges</i>							
T	Customer Charge	\$5.64						\$5.64
	All kWh	\$0.02029	\$0.00223	\$0.00055	\$0.01653	\$0.00330	\$0.00150	\$0.04440
V	Minimum Charge	\$5.89						\$5.89
	All kWh	\$0.02859	\$0.00223	\$0.00055	\$0.02094	\$0.00330	\$0.00152	\$0.05713

(1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01

(2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10

Rate Class	D	D-10	G-3	T	V
Credit per kWh	(\$0.00017)	(\$0.00008)	(\$0.00017)	(\$0.00007)	(\$0.00009)

(3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00037) per kWh for usage on and after 7/1/12

(4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of (\$0.00001) per kWh for usage on and after 1/1/13

System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
System Benefits Charge-Statewide Energy Assistance Program	\$0.00150	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/13, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.07525	Effective 11/1/12, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.06521	Effective 11/1/12, usage on and after
	\$0.07697	Effective 12/1/12, usage on and after
	\$0.08925	Effective 01/1/13, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Dated: January 02, 2013

Effective: January 01, 2013

Issued by: /s/ Victor D. Del Vecchio

Victor D. Del Vecchio

Title: President

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[Authorized by Docket No. DE 12-341,
NHPUC Order No 25,446, Dated
December 27, 2012](#)

RATES EFFECTIVE NOVEMBER 1, 2012
FOR USAGE ON AND AFTER NOVEMBER 1, 2012

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Deliver	
D	Customer Charge	\$4.36						\$4.36	
	1st 250 kWh	\$0.01650	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090		
	Excess 250 kWh	\$0.04295		\$0.04025					
	Off Peak kWh	\$0.01578	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090		
	Farm kWh D-6 kWh	\$0.02565 \$0.01650	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090		
D-10	Customer Charge	\$7.49						\$7.49	
	On Peak kWh	\$0.04777	\$0.00223	\$0.00055	\$0.01663	\$0.00330	\$0.00089		
	Off Peak kWh	\$0.00012		\$0.07137					
G-1	Customer Charge	\$93.37						\$93.37	
	Demand Charge	\$4.07						\$4.07	
	On Peak kWh	\$0.00153	\$0.00223	\$0.00055	\$0.01394	\$0.00330	\$0.00090	\$0.02245	
	Off Peak kWh	\$0.00020	\$0.00223	\$0.00055	\$0.01394	\$0.00330	\$0.00090	\$0.02112	
G-2	Customer Charge	\$24.98						\$24.98	
	Demand Charge	\$4.49						\$4.49	
	All kWh	\$0.00050	\$0.00223	\$0.00055	\$0.01625	\$0.00330	\$0.00090	\$0.02373	
G-3	Customer Charge	\$5.52						\$5.52	
	All kWh	\$0.03091	\$0.00223	\$0.00055	\$0.01658	\$0.00330	\$0.00090		
M	All kWh	\$0.00020	\$0.00223	\$0.00055	\$0.01094	\$0.00330	\$0.00091		
	<i>see tariff for luminaires & pole charges</i>								
T	Customer Charge	\$5.64						\$5.64	
	All kWh	\$0.02030	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00090		
V	Minimum Charge	\$5.89						\$5.89	
	All kWh	\$0.02860	\$0.00223	\$0.00055	\$0.01870	\$0.00330	\$0.00090		

- (1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01
- (2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10
- | Rate Class | D | D-10 | G-3 | T | V |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Credit per kWh | (\$0.00017) | (\$0.00008) | (\$0.00017) | (\$0.00007) | (\$0.00009) |
- (3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00037) per kWh for usage on and after 7/1/12
- (4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of \$0.00000 per kWh for usage on and after 7/1/11
- | | | |
|--|-----------|---------------------------------------|
| System Benefits Charge-Energy Efficiency | \$0.00180 | Effective 7/1/11, usage on and after |
| System Benefits Charge-Statewide Energy Assistance Program | \$0.00150 | Effective 7/1/11, usage on and after |
| Total System Benefits Charge | \$0.00330 | |
| Transmission Cost Adjustment Factor | various | Effective 1/1/12, usage on and after |
| Stranded Cost Adjustment Factor | various | Effective 1/1/12, usage on and after |
| Default Service Charge | | |
| Residential & Small Commercial (D, D-10, G-3, M, T, V) | \$0.07525 | Effective 11/1/12, usage on and after |
| Medium / Large Commercial & Industrial (G-1, G-2) | \$0.06521 | Effective 11/1/12, usage on and after |
| | \$0.07697 | Effective 12/1/12, usage on and after |
| | \$0.08925 | Effective 01/1/13, usage on and after |
| Electricity Consumption Tax | \$0.00055 | Effective 5/1/01, usage on and after |

Dated: September 24, 2012
Effective: November 01, 2012

Issued by: /s/ Victor D. Del Vecchio
Victor D. Del Vecchio
Title: President

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| [Authorized by Docket No. DE 12-023, NHPUC Order No 25,416, Dated 09/21/2012](#)

Attachment 3

PUC Orders

Order 25,416

Default Service Rates – Large Commercial & Industrial
Customers

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-023

GRANITE STATE ELECTRIC COMPANY d/b/a LIBERTY UTILITIES

Petition for Approval of Default Service Solicitation and Resulting Rates for the Large and Small Customer Groups for the Period Beginning November 1, 2012

Order Approving Solicitation and Selection of Default Service Supply and Resulting Rates

ORDER NO. 25,416

September 21, 2012

APPEARANCES: Sarah B. Knowlton, Esq. for Granite State Electric Company d/b/a Liberty Utilities; the Office of Consumer Advocate by Rorie E.P. Hollenberg, Esq. on behalf of residential customers; and Suzanne G. Amidon on behalf of Commission Staff.

I. PROCEDURAL BACKGROUND

On September 14, 2012, Granite State Electric Company d/b/a Liberty Utilities (Granite State or Company)¹ filed a petition requesting approval of default service rates for its large and medium commercial and industrial customers (Large Customer Group) for the period from November 1, 2012 through January 31, 2013, and for 100% of its supply requirements for its residential and small commercial customers (Small Customer Group) for the period November 1, 2012 through April 30, 2013. The filing was made pursuant to a Settlement Agreement approved by the Commission in Docket No. DE 05-126, *Granite State Electric Company, Petition for Approval of Post-Transition Default Service Proposals*, Order No. 24,577, 91 NH

¹ On May 30, 2012 by Order No. 25,370, the Commission approved a series of transactions by which the assets of Granite State Electric Company and EnergyNorth Natural Gas, Inc. would be transferred to Liberty Energy NH. Upon completion of the transactions, Liberty Energy NH will operate the two systems. This is the first default service filing by Granite State d/b/a Liberty Utilities following closing on the transfer of assets to Liberty Energy NH, though work remains before all of the associated transactions are complete.

PUC 6 (January 13, 2006) as modified by Order No. 24,922, 93 NH PUC 600 (December 19, 2008).

In support of its petition, Granite State filed the testimony and related schedules of John D. Warshaw, Manager, Electricity Supply for Liberty Energy Utilities (New Hampshire) Corp. (Liberty NH). Liberty NH is the sole shareholder of Granite State. In addition, Granite State filed the testimony of Daniel L. Mahoney, Manager of Load Data Services for Liberty NH. Mr. Mahoney's testimony consisted of a report entitled "Default Service Loss Factor Investigation." The investigation was conducted pursuant to Order No. 25,376 (June 22, 2012) in the instant docket. Granite State also included in its filing its most recent customer migration report.

Granite State selected NextEra Energy Power Marketing, LLC (NextEra) as the winning bidder to provide default service to the Large Customer Group for the period from November 1, 2012 through January 31, 2012, and Dominion Energy Marketing, Inc. (Dominion) as the winning bidder to provide default service to the Small Customer Group for the period from November 1, 2012 through April 30, 2013. According to Granite State, the overall bill impact for large customers taking service under Rate G1 will experience bill increases for the three-month period from November 2012 through January 2013 ranging from 19.4% to 24.2% as compared with the three-month period ending October 31, 2012. Residential customers in the Small Customer Group using 500 kilowatt-hours (kWh) per month under rate D would be an increase from \$60.54 to \$68.75, or 13.6%. Other customers in the Small Customer Group will experience bill increases ranging from 12.5% to 18.6%, depending on usage. In its public filing, Granite State redacted certain information for which it requested confidential treatment pursuant to New Hampshire Code Admin. Rules Puc 201.04(a)(5), Puc 201.06 and Puc 201.07. This

information consists of a copy of the Company's transaction confirmation with the winning suppliers, bid evaluation and bid summary, pricing for Renewable Energy Certificates (RECs) and retail meter commodity cost calculations. With respect to the wholesale power purchase prices included in this filing, the Company requested confidential treatment only until such time that those prices are required to be made public by the Federal Energy Regulatory Commission (FERC).

The Commission issued a Secretarial Letter on September 17, 2012 scheduling a hearing for September 20, 2012. The hearing was held as scheduled.

II. POSITIONS OF THE PARTIES

A. Granite State Electric Company

Granite State testified that it had conducted the default service solicitation process in accordance with applicable New Hampshire rules and regulations and the terms of a Settlement Agreement approved by the Commission in Order No. 24,577 (January 13, 2006) as modified by Order No. 24,922 (December 19, 2008). The Company stated that, on August 13, 2012, it issued a request for proposals (RFP) to approximately twenty-five potential suppliers soliciting power for the period November 1, 2012 through January 31, 2013 for the Large Customer Group and for the period November 1, 2012 through April 30, 2013 for the Small Customer Group. Granite State said that it also distributed the RFP to all members of the New England Power Pool Markets Committee and posted the RFP on its energy supply website so that the RFP had wide distribution throughout the New England energy supply marketplace. The RFP requested fixed pricing for each month of service on an as-delivered energy basis and allowed prices to vary

monthly across the service period. Consistent with Order No. 24,922, Granite State solicited only for all-inclusive energy and capacity supply.

Granite State testified that this is the Company's first solicitation for default service following the acquisition of Granite State by Liberty Energy NH from National Grid, and National Grid assisted Granite State with the solicitation, consistent with the terms of a transition services agreement related to the acquisition transaction.

Granite State testified that it received indicative bids on September 5, 2012 and final bids on September 12, 2012. Granite State stated that the selected suppliers (1) provided a bid that conformed to the RFP, (2) had the lowest price, (3) met the credit requirements described in the RFP, and (4) passed Granite State's qualitative criteria. On September 12, Granite State selected NextEra to supply default service to the Large Customer Group for the period from November 1, 2012 through January 31, 2013 and entered into a wholesale transaction confirmation on the same day. According to Granite State, a copy of the NextEra master power agreement was filed with the Commission on September 17, 2007 in Docket No. DE 07-012². For the Small Customer Group service, Granite State selected Dominion to supply default service and stated that it also entered into a transaction confirmation with Dominion on September 12, 2012. Granite State testified that a copy of the Dominion master power agreement was filed with the Commission on March 16, 2009 in Docket No. DE 09-010.³

Pursuant to a settlement agreement approved by the Commission in Order No. 24,953 (March 23, 2009), Granite State requested bidders for power supply to provide a separate adder for purposes of complying with RSA 362-F, New Hampshire's Renewable Portfolio Standard

² See, Order No. 24,787 (September 21, 2007). Docket No. DE 07-012 is Granite State's 2007 default service docket.

³ See, Order No. 24,593 (March 23, 2009). Docket No. DE 09-010 is Granite State's 2009 default service docket.

(RPS) law. According to Granite State, the RPS compliance adder from the winning bidder for the Large Customer Group was higher than Granite State's market estimate for RECs. As a result, Granite State did not accept that bidder's RPS compliance adder. Granite State testified that the winning bidder for the Small Customer Group did not submit a RPS compliance adder. To comply with the RPS requirements, Granite State said that it plans to issue an RFP in the future for the acquisition of RECs.

To recover costs of RPS compliance, Granite State testified that it calculates an RPS compliance adder which is added to the base default service rate. For November and December 2012, Granite State proposed to reduce the RPS adder from the current rate of \$0.00396 per kWh to \$0.00387 per kWh for the Small Customer Group, and from \$0.00408 per kWh to \$0.00387 per kWh for the Large Customer Group. Granite State testified that these changes reflected updated REC prices from broker sheets. Beginning in January 2013, when increased RPS compliance requirements take effect, Granite State proposed to increase the RPS adder for both the Small and Large Customer Group to \$0.00428 per kWh based in the Company's estimate of market prices for RECs during the 2013 compliance period.

For both the Small Customer and Large Customer Groups, Granite State calculated the base default service rate by multiplying the commodity cost at the wholesale level (\$ per megawatt-hour) by the applicable loss factor and then dividing the results by ten to determine the kWh retail rate. The Company stated that the load-weighted average of the commodity cost at retail for the Small Customer Group for the period November 1, 2012 through April 30, 2013 is \$0.06791 per kWh as compared to the load-weighted average of \$0.04670 per kWh for the current six-month period ending October 31, 2012. After adjustments for reconciliation and

reclassification and the adder for compliance with the Company's RPS obligations, the proposed default service rate for the Small Customer Group is \$0.07525 per kWh.

For residential customers using 500 kWh per month, total monthly bills will increase by 13.6% from \$60.54 to \$68.75 per month. For residential customers using 665 kWh per month, the average monthly kWh usage for the twelve months ending August 2012, the total bill would increase by 13.4% from \$81.23 per month to \$92.14 per month. Average monthly bills for other customers in the Small Customer Group would increase by 12.5% to 18.6%.

The load-weighted average of the power supply costs for the Large Customer Group is \$0.06791 per kWh compared to the load-weighted average of \$0.04670 per kWh for the period August through October, 2012. For the Large Customer Group, the Company develops rates that vary month by month. The base retail rate for power plus the other adjustments are shown on the following table:

	Nov. 2012	Dec. 2012	Jan. 2013
Base Retail Rate	\$0.05553	\$0.06729	\$0.07916
2012 Default Service Adjustment Factor	\$0.00478	\$0.00478	\$0.00478
Cost Reclassification Factor	\$0.00103	\$0.00103	\$0.00103
RPS Adder	\$0.00387	\$0.00387	\$0.00428
Total Default Service Rate	\$0.06521	\$0.07697	\$0.08925

Granite State noted that the November default service rates produce total bill increases for customers in the Large Customer Group from 19.4% to 24.2% as compared to bills for October 2012.

Order No. 25,376 directed Granite State to review the loss factor measured at the Tewksbury, Massachusetts meter location because the loss factors showed significant variation following the replacement of the meter. Granite State was also directed to compare its loss

factors to those of National Grid's Massachusetts distribution company, Massachusetts Electric Co. (Massachusetts Electric) and Unitil Energy Systems, Inc. (UES). In response, Granite State filed the loss factor report, concluding that its loss factors were similar to those of UES and somewhat higher than those of Massachusetts Electric.

The report also described issues associated with the Company's efforts to establish a new Granite State meter domain. Under the current metering domain, the energy required to serve Granite State's customers is delivered by New England Power (NEP) at specific delivery points. NEP monitors all generators and all ties, including all ties with adjacent transmission grids that feed into the New Hampshire and Vermont Load Zones in the NEP meter domain. The connected utilities are metered at the transmission and distribution interconnection points of their systems and the sum of all the interconnection points for a given utility will be the delivered load for that utility.

Granite State said that while the current method of metering was approved by the Independent System Operator-New England (ISO-NE) and was acceptable when Granite State was a subsidiary of National Grid, NEP, Granite State and ISO-NE will implement a plan to develop a new Granite State meter domain. According to the Company, this new meter domain will change the wholesale metering points and may present an opportunity to reduce the losses to all customers and customer groups served by Granite State.

The Company testified that it was working with NEP and ISO-NE to identify the new metering points for ISO-NE market settlement and that the new metering points would monitor all substations where energy flows from NEP to the Company, all generators inside the Company's meter domain and all ties to adjacent meter domains. The Company stated that

meters will be moved to new locations to more accurately measure the total wholesale load delivered to its customers. Granite State testified that, although the details to establish the new meter domain have been identified by the Company, NEP and ISO-NE, the systems required for data collection and settlement implementation are not expected to be completed until the fall of 2013.

In connection with its review of line losses and the metering domain, Granite State identified over 200 customers currently receiving energy from Granite State's load zone, along distribution lines that are owned by Massachusetts Electric. They are billed by Massachusetts Electric, with no revenues being remitted to Granite State for the energy portion of the service provided. These "borderline customers" are served pursuant to the terms of a FERC-approved tariff which requires an adjacent utility to serve its neighbors' borderline customers when it is not practical for the neighboring utility to build facilities to serve those borderline customers from its own facilities. According to Granite State, the borderline customers being billed by Massachusetts Electric result in approximately 1.2 million kWh per year in energy that is not reported by Granite State, and the underreporting reduces the total retail load and results in a small increase in the total distribution loss factor. Granite State and Massachusetts Electric are working to put in place a borderline service agreement to address this issue. The Company is also determining in consultation with FERC and Massachusetts Electric whether it can recover revenue from Massachusetts Electric for the borderline customers served from Granite State's system. According to Granite State, the recovery effort will require examination of past usage by the borderline customers.

Granite State concluded by requesting that the Commission (1) find that the Company conducted the solicitation and selection of suppliers consistent with the process approved by the Commission in Order No. 24,577, (2) approve the resulting rates, and (3) grant the Company's request for confidential treatment of information redacted from the public filing consistent with Puc 201.04, Puc 201.06 and Puc 201.07.

B. Office of Consumer Advocate

The Office of Consumer Advocate (OCA) stated that it had no objection to the implementation of the default service rates for residential customers. The OCA expressed concern about the fact that some customers located in Massachusetts were receiving power from Granite State for which Granite State was not compensated and urged the Company to move as quickly as possible to resolve the issue with Massachusetts Electric and report periodically on its progress.

C. Staff

Staff stated that it had reviewed the filing and determined that the Company had complied with Order No. 24,577 in the solicitation and evaluation of bids and in the final selection of the winning bidders, and that the resulting rates were market based. The Staff recommended that the Commission approve the petition. The Staff also agreed with Granite State's assertion that information redacted from the public filing was entitled to confidential treatment pursuant to Puc 201.06 and 201.07.

With respect to Granite State's report on the loss factor investigation, Staff stated that it understood that the Granite State needed to work with Massachusetts Electric in order to resolve all the issues and that the process, as described by the Company, would take some time. Staff

recommended that the Commission direct Granite State to provide a report in six months to explain what actions it had taken to resolve the loss factor issue over that period of time and to report on any other progress or developments in addressing the issue.

III. COMMISSION ANALYSIS

We find that Granite State complied with the procedures approved in Order No. 24,577 regarding its analysis of the bids and its selection of the winning bidder for default service supply for its Small and Large Customer Groups for the period beginning November 1, 2012. We are likewise satisfied that the participation of multiple bidders in the process is indicative of a competitive bids and, consequently, that the results are consistent with the requirement of RSA 374-F:3, V(c) that default service be procured through the competitive market.

We also find that Granite State's evaluation of the bids and its selection of NextEra to provide service for the Large Customer Group for the three-month period beginning November 1, 2012 and its selection of Dominion to provide service for the Small Customer Group for the six-month period beginning November 1, 2012 are reasonable. The testimony of Granite State together with its bid evaluation report indicates that the bid prices reflect current market conditions and, therefore, are reasonable. In light of the circumstances, we grant the petition.

Granite State submitted certain confidential information pursuant to N.H. Code Admin. Rules Puc 201.04, 201.06 and 201.07. The information for which Granite State seeks confidential treatment consists of the Company's transaction confirmation with the winning supplier, bid evaluation and summary, RPS compliance pricing and retail meter commodity cost calculations.

Pursuant to Puc 201.06, certain information that is submitted in routine filings by utilities is entitled to confidential treatment, including information submitted in default service proceedings. Puc 201.06 (a)(30) states that the following information submitted in default service proceedings will be accorded confidential treatment:

- a. default service solicitations;
- b. bidder information;
- c. descriptions of the financial security offered by each bidder;
- d. bid evaluations;
- e. rankings of bidders' financial security;
- f. descriptions of financial security required by bidders;
- g. fuel supplier contracts;
- h. commodity and fuel pricing;
- i. planned generation plant maintenance schedules;
- j. contact lists used during the requests for proposals process;
- k. financial security, pricing and quantity terms of master power agreements and amendments;
- l. renewable energy certificate purchase prices, quantities and seller identities under existing contracts;
- m. transaction confirmations;
- n. retail meter commodity cost calculations;
- o. wholesale power purchase prices until made public by other governmental agencies;
- p. and responses to data requests related to a. through o. above.

We find that the category of information for which Granite State seeks confidential treatment is information routinely submitted in connection with default service proceedings as defined in Puc 201.06 (a)(3). Therefore, the information which Granite State has redacted from its public filing shall be accorded confidential treatment subject to the provisions of Puc 201.07. The wholesale power costs contained in Granite State's filing shall be accorded confidential treatment only until such time as the costs are made public through the operation of the rules of the Federal Energy Regulatory Commission.

Finally, we appreciate the work that the Company has begun investigating the loss factor and other issues it identified as it works to establish its own metering domain. We share the

concerns of the Company, OCA and Staff concerning the discovery of approximately 200 Massachusetts customers who are served with power from Granite State yet billed by Massachusetts Electric without compensation to Granite State. We agree with the Company that it will take time to fully analyze and implement the appropriate processes and measures to address this situation however, we expect them to pursue these corrective measures in an expeditious manner. To keep the Commission informed of the Company's progress in resolving the metering and loss factor issues, and in the development of the Granite State metering domain, we direct Granite State to file a report with the Commission within six months from the date of this order. The report should describe the steps that the Company has taken and the progress it has made in addressing the Massachusetts border customer issues, the metering issues and in developing its own metering domain as well as what corrective actions still need to be implemented and a schedule for doing such. We require Granite State to file an updated report every six months thereafter until the new domain is in place and the issues involving borderline customers have been resolved.

Based upon the foregoing, it is hereby

ORDERED, that the power supply agreement entered into between NextEra Energy Power Marketing, LLC and Granite State Electric Company d/b/a Liberty Utilities for the three-month default service power supply beginning November 1, 2012 for the Large Customer Group and the resulting rates are hereby **APPROVED**; and it is

FURTHER ORDERED, that the power supply agreement entered into between Dominion Energy Marketing, Inc. and Granite State Electric Company d/b/a Liberty Utilities for

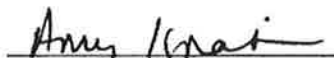
the six-month default service power supply beginning November 1, 2012 for the Small Customer Group and the resulting rates are hereby APPROVED; and it is

FURTHER ORDERED, that the proposed changes to the Renewable Portfolio Standard adder for effect beginning on November 1, 2012 and January 1, 2013 are hereby APPROVED; and it is


FURTHER ORDERED, Granite State shall file a report regarding its progress in addressing the Massachusetts border customer issues, and the loss factors associated with those issues, six months from the date hereof and every six months thereafter until the problem is fully resolved; and it is

FURTHER ORDERED, Granite State shall file conforming tariffs within 30 days of the date of this Order consistent with N.H. Code Admin. Rules Puc 1605.02.


By order of the Public Utilities Commission of New Hampshire this twenty-first day of September, 2012.


Amy D. Ignatius
Chairman


Michael D. Harrington
Commissioner


Robert R. Scott
Commissioner

Attested by:


Debra A. Howland
Executive Director

Order 25,446
Annual Retail Rate Adj.

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 12-341

GRANITE STATE ELECTRIC COMPANY d/b/a LIBERTY UTILITIES

Annual Retail Rate Adjustment Filing

Order Approving Filing

ORDER NO. 25,446

December 27, 2012

APPEARANCES: Sarah B. Knowlton, Esq. on behalf of Granite State Electric Company d/b/a Liberty Utilities; and Suzanne G. Amidon, Esq. on behalf of Commission Staff.

I. PROCEDURAL BACKGROUND

On November 27, 2012, Granite State Electric Company d/b/a Liberty Utilities (Liberty or Company) filed a request for approval of certain retail rate adjustments to its stranded cost and transmission service charges for effect on January 1, 2013, with supporting testimony, related exhibits and attachments. Based on the filing, the aggregate impact of all rates in this filing for a typical customer using 665 kilowatt hours (kWh) per month, the average monthly usage over the twelve-month period from November 2011 through October 2012, will be a monthly bill increase of \$1.58 or 1.72%, from \$92.14 to \$93.75. The proposed rate adjustments were filed pursuant to the Amended Restructuring Settlement Agreement (Settlement Agreement) as approved by the Commission in *Granite State Electric Co.*, Order No. 23,041, 83 NH PUC 532 (October 7, 1998).

In its filing, Liberty proposed to increase its average stranded cost charge from 0.090 cents per kWh to 0.150 cents per kWh. The stranded cost charge permits Liberty to recover

Contract Termination Charges (CTC) billed to it by New England Power Company (NEP) in connection with the termination of NEP's all-requirements power contracts with National Grid, now Liberty Utilities,¹ upon the advent of retail competition. On December 3, 2012, National Grid filed NEP's reconciliation of the costs and revenues under its CTC formula for the prior period October 1, 2011 through September 30, 2012 (Docket No. DE 12-348). According to Liberty, the CTC report supports the stranded cost charge of 0.150 cents per kWh for 2013. The proposed rate of 0.150 cents per kWh is an average rate; the stranded cost charge also includes class-specific adjustment factors to reflect class-specific reconciliations, where necessary.

Liberty's proposed transmission service charge is intended to recover costs the Company incurs in providing transmission service to its customers. Transmission service rates incorporate a separate transmission factor for each rate class. The transmission factors are designed to recover estimated transmission expenses during the upcoming calendar year, adjusted for over- or under-recoveries that occurred in the prior reconciliation period. Liberty estimates that total transmission expenses will result in an average transmission charge of 1.860 cents per kWh, an increase from the current rate of 1.554 cents per kWh. Finally, Liberty proposes to include in rates a GreenUp Service Recovery Adjustment charge for its renewable energy offering which, in this case, constitutes a credit of 0.001 cent per kWh over the current adjustment of 0.000.

On December 3, 2012, the Commission issued an Order of Notice scheduling a hearing for December 19, 2012. The hearing was held as noticed.

¹ On May 30, 2012 by Order No. 25,370, the Commission approved a series of transactions by which Liberty Energy Utilities (New Hampshire) Corp. acquired Granite State Electric Company and EnergyNorth Natural Gas, Inc. from National Grid.

II. POSITIONS OF THE PARTIES

A. Liberty Utilities

1. Stranded Cost Adjustment Charge

Liberty testified that the proposed stranded cost charge consists of two components: (1) a uniform per kWh charge it collects from all customers reflecting the CTC assessed by NEP, and (2) rate-class specific adjustment factors reflecting the reconciliation of any excess or deficiency in stranded cost recovery from that rate class in the prior year. Liberty testified that the proposed adjustments comply with its tariff, which provides for adjustments to the stranded cost charge as a result of any changes in the CTC assessed by NEP as well as the rate-specific reconciliation described above. Liberty's filing proposes to increase the uniform stranded cost charge it currently assesses from 0.090 cents per kWh to 0.150 cents per kWh (excluding rate class-specific adjustment factors) for the period beginning January 1, 2013 for use on and after that date.

Liberty testified that on December 3, 2012, National Grid filed with the Commission NEP's report on the reconciliation of CTCs assessed to National Grid and to Liberty. In that report, NEP reconciled the costs and revenues under its CTC formula during the period October 1, 2011 through September 30, 2012. According to Liberty, the CTC report and related calculations support the calculation of stranded costs assessed to Liberty for which Liberty seeks recovery in its petition. Liberty said that, consistent with prior practice, Staff will examine the CTC in more detail in Docket No. DE 12-348 and, in the event that an adjustment is required, Liberty will reflect the adjustment in its CTC reconciliation account and CTC filings for 2013.

2. Transmission Service Cost Adjustment

The filing includes a change in transmission-related rates for costs incurred by Liberty and recovered through the transmission service cost adjustment (TSCA) in its tariff. Liberty testified that base transmission rates are established annually and premised on a forecast of transmission costs incurred by the Company to provide transmission service to its retail delivery service customers. To obtain transmission service, the Company contracts with entities authorized by the Federal Energy Regulatory Commission (FERC) to provide transmission service in New England, such as NEP and the Independent System Operator-New England (ISO-NE).

NEP and ISO-NE assess transmission service charges to Liberty to cover the cost of providing transmission over regionally networked facilities, more commonly known as Pool Transmission Facilities (PTF) or bulk transmission facilities, which serve as New England's electric transmission "highway." The service provided over these facilities is referred to as Regional Network Service (RNS). The ISO-NE RNS rate recovers RNS costs on a regionalized basis and is determined annually based on an aggregation of the transmission revenue requirements of each transmission owner in New England, calculated in accordance with a FERC-approved formula. Liberty is also billed for transmission over NEP's local transmission facilities, considered non-PTF facilities. The service provided over the Non-PTF is referred to as Local Network Service (LNS) facilities).

Under the TSCA, the Company is permitted to recover costs billed to it by ISO-NE and NEP. The TSCA permits full reconciliation of transmission revenue and expenses, including adjustments for any over- or under-recovery of transmission costs from prior reconciliation

periods. The 2012 reconciliation reflects actual transmission revenue for the period October 2011 through September 2012 and actual transmission expenses for the period October 2011 through August 2012, plus estimated expenses for September 2012.

According to prefiled testimony, Liberty's proposed average transmission service charge for 2013 of 1.860 cents per kWh consists of two components: (1) a uniform transmission service adjustment factor which is the reconciling mechanism in the transmission service charge, and (2) a transmission service rate that varies by rate class.

The Company estimated a 2013 transmission service adjustment factor of 0.063 cents per kWh which reflects a transmission service under-collection of \$596,582 from the prior reconciliation period. The factor was calculated by dividing the under-collection of the transmission service expense at September 2012 by the forecasted 946,230,588 kWh sales for 2013. Liberty proposed the transmission service adjustment factor for effect for service rendered on and after January 1, 2013. According to the Company, the estimated adjustment factor would be applied to bills of all customers taking transmission service through Liberty.

Liberty calculated an average proposed transmission service rate of 1.797 cents per kWh, an increase over the current effective average transmission rate of 1.670 cents per kWh. Liberty testified that the increase results from an increase from the prior year forecast of transmission expense, primarily due to an additional \$1,268,548 in ISO-NE RNS charges based on the PTF transmission plant investment forecast to be "in-service" in 2013 across New England. In addition, Liberty's LNS charges are estimated to increase by \$421,935 due to the forecasted increase in NEP's overall revenue requirements. Liberty testified that, according to forecast, an estimated \$1.172 billion of PTF plant additions will occur in 2013. According to the Company,

the two largest transmission projects in New England where a portion of the project has an in-service date during 2013 are (1) Central Maine Power's Main Power Reliability Program, and (2) National Grid's and Northeast Utilities' New England East-West Solution. Liberty said that the transmission owners forecast a similar level of investment in transmission projects through 2016.

In the calculation of the estimated transmission expenses for 2013, Liberty included an ISO-NE Disgorgement Fund Credit of \$144,563. In prefiled testimony, Liberty said that it expected to receive this credit as a result of a Stipulation and Consent Agreement (Consent Agreement) entered into between Constellation Energy Commodities (Constellation) and the FERC's Office of Enforcement. *See, Constellation Energy Commodities Group, Inc.*, 138 FERC 61, 168 (2012). The Consent Agreement created the Disgorgement Fund for the benefit of electric customers in affected markets. Liberty testified that on October 18, 2012, the FERC approved a Joint Stipulation filed by the regulatory agencies² in the six New England states that proposed an allocation and distribution plan for the Disgorgement Fund. According to the Company, the Joint Stipulation requires Liberty to distribute its portion of the credit in an efficient and timely manner. In its filing, the Company included a one-time credit of \$144,563 in its calculation of 2013 transmission expense. Liberty testified at hearing that, the Company had actually received the credit of \$144,563 from the ISO-NE in its most recent billing.

3. GreenUp Recovery

Liberty explained that, as approved by the Commission in Order No. 25,101 (May 7, 2010) in Docket DE 09-225, the Company offers GreenUp as a market-based, renewable tariff-based option for residential and small default service customers. According to the Company, the

² The New Hampshire Public Utilities Commission was one of the signatories to the Joint Stipulation.

GreenUp Service Recovery Provision provides for reconciliation of administrative costs incurred by the Company for providing GreenUp Service in accordance with RSA 374-F:3, V(f). The GreenUp Service Recovery Adjustment (GSRA) factor is a uniform cents per kWh factor applicable to all kilowatt-hours delivered by the Company to customers taking retail delivery service under each of the Company's rates.

Under the GreenUp Service Recovery Provision in the Company's tariff, the GSRA factor is established annually based on a forecast of GreenUp Service administrative costs and should include full reconciliation for any over- or under-recoveries occurring in the prior year. Liberty explained that within the first year of the program, the Company experienced an over-recovery of \$12,000 which reduced the factor to zero. The over-recovery was carried forward to 2012 and the Company now proposed a uniform GSRA credit of 0.001 cents per kWh. Liberty said that the Company does not anticipate increasing administrative costs as program participation has remained relatively low and has not appeared to respond to marketing efforts.

Liberty requested that the Commission approve the retail rate adjustments contained in its November 27, 2012 filing and issue an order so the rates could take effect January 1, 2013.

B. Commission Staff

Staff stated that it had reviewed the filing and that the rates were appropriately calculated in a manner consistent with prior filings and that the forecasted costs were reasonable. Staff recommended that the Commission approve the petition.

III. COMMISSION ANALYSIS

RSA 378:7 vests the Commission with the responsibility to determine whether rates charged to retail utility customers in New Hampshire are just, reasonable and lawful. RSA 374-

F:4, VIII(a) further authorizes the Commission to “order such charges and other service provisions and to take such other actions that are necessary to implement [electric industry] restructuring and that are substantially consistent with the principles” set forth in RSA 374-F. Among the principles relevant to this proceeding are the objectives of providing “clear price information on the cost components of generation, transmission, distribution and any other ancillary charges” pursuant to RSA 374-F:3, III, and recovery of stranded costs through “a non-bypassable, nondiscriminatory, appropriately structured charge that is fair to all customer classes, lawful, constitutional, limited in duration, [and] consistent with the promotion of fully competitive markets” pursuant to RSA 374-F:3, XII(d).

The underlying policy determinations relevant to this proceeding were made in Granite State Electric Co., Order No. 23,041 (October 7, 1998) 83 NH PUC 532, approving the rate adjustment mechanisms reflected in Liberty’s current proposal. Each component charge, however, deserves some discussion.

First, we address the proposed stranded cost charge. Liberty proposes to increase the stranded cost charge from 0.090 cents per kWh to 0.150 cents per kWh. As in prior years, we have opened a separate docket (DE 12-348) for the review of the CTC reconciliation and report filed by National Grid to allow for Staff review of the report and the associated stranded cost charge. As the CTC encompasses a variety of cost categories, the separate CTC docket allows for the appropriate review of those costs while allowing the revised stranded cost charge to go into effect, subject to potential adjustment. We direct Staff to file a summary and recommendation following its review of the CTC reconciliation and report. In the event that an adjustment is necessary based on Staff’s review, the Company will make the required

adjustment in its CTC reconciliation account and incorporate it into its CTC filings and stranded cost rate for 2013. On the foregoing basis, we conditionally approve the proposed stranded cost charge subject to the review to be undertaken in DE 12-348.

The proposed average transmission service charge of 1.860 cents per kWh incorporates two components. Specifically, the transmission service adjustment factor of 0.063 cents per kWh reflects an under-recovery of \$596,582 in transmission expense, and the average transmission service rate of 1.797 cents per kWh represents the forecasted rate calculation of transmission expenses for 2013. According to Liberty, the largest increase in its average transmission service rate is \$1,268,548 for RNS transmission charges based on the PTF transmission plant investment forecasted by the transmission owners to be "in-service" in 2013 across New England. The PTF expenses are incorporated into the overall RNS charges which, in turn, are reflected in charges to Liberty.

The transmission service costs in question are derived from FERC-approved tariffs and subject to FERC jurisdiction. These costs are then applied in accordance with the rate mechanism approved in Order No. 23,041. Accordingly, we approve Liberty's request to increase the average transmission service rate to 1.860 cents per kWh as of January 1, 2013. We also approve Liberty's request to change the transmission service adjustment factors for the various rate classes as proposed in its November 27, 2012 filing.

According to Liberty, the Consent Agreement between FERC and Constellation, and the Joint Stipulation approved by FERC on October 18, 2012, set forth a proposed allocation and distribution plan for the resulting Disgorgement Fund Credit. Consistent with the terms of those agreements, Liberty stated that it included a one-time offset of \$144,563 in its calculation of

2013 transmission expenses. Liberty testified at hearing that it had actually received the credit of \$144,563, and we find it reasonable that Liberty apply the \$144,563 credit to offset its 2013 transmission expenses in calculating customer rates. In its next annual filing, we direct Liberty to record the credit of \$144,563 in the month the credit was actually received in the calculation of its transmission service reconciliation.

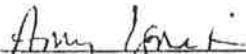
Finally, we approve Liberty's proposed credit of 0.001 cents per kWh in connection with the GreenUp program. We note that the Company has indicated that the GreenUp program, which is an offering made pursuant to RSA 374-F:3, V(f), has low customer participation and agree that it is appropriate to credit the over-recovery to customers beginning with rates effective January 1, 2013.

Based upon the foregoing, it is hereby

ORDERED, that, as detailed above, the retail rate adjustments and adjustment factors proposed by Granite State Electric Company d/b/a Liberty Utilities in its filing of November 27, 2012 are hereby APPROVED effective January 1, 2013; and it is

FURTHER ORDERED, that Liberty Utilities file appropriate tariff changes that conform to this Order within 30 days hereof pursuant to N.H. Code Admin. Rules Puc 1603.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day
of December, 2012.



Amy D. Ignatius
Chairman




Michael D. Harrington
Commissioner



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director

Order 25,441

Default Service Rates – Large Commercial & Industrial
Customers

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-023

GRANITE STATE ELECTRIC COMPANY d/b/a LIBERTY UTILITIES

**Petition for Approval of Default Service Solicitation and Related Rates for
Large Commercial and Industrial Customers**

Order Approving Solicitation and Resulting Default Service Rates

ORDER NO. 25,441

December 20, 2012

APPEARANCES: Sarah B. Knowlton, Esq. on behalf of Granite State Electric Company d/b/a Liberty Utilities; and Suzanne G. Amidon, Esq. on behalf of Commission Staff.

I. PROCEDURAL HISTORY

On December 14, 2012, Granite State Electric Company d/b/a Liberty Utilities (Liberty or Company) filed a petition requesting approval of default service rates for its large and medium commercial and industrial customers (Large Customer Group) for the period from February 1, through April 30, 2013. Liberty selected H.Q. Energy Services (U.S.) Inc. (HQ-US) as the winning default service supplier for this period. In support of its petition, Liberty filed the testimony of John D. Warshaw with related exhibits. Mr. Warshaw is employed by Liberty as Manager, Electric Supply. Liberty also filed its quarterly migration report with its petition. With the proposed rates resulting from this solicitation, typical bill impacts for the Large Customer Group will be increases ranging from 0.9% to 1.1%.

Liberty made this filing pursuant to a settlement agreement approved by the Commission in Order No. 24,577 (January 13, 2006) 91 NH PUC 6. In Order No. 24,577, the Commission approved the process for the solicitation, bid evaluation and procurement of default service by

National Grid, the previous owner of Granite State Electric Company, for its default service customers, including for its Large Customer Group.¹ According to the terms of the settlement agreement, Granite State Electric Company, now owned by Liberty Utilities, procures default service supply for its Large Customer Group under three-month contracts with fixed monthly prices that vary from month-to-month. The settlement agreement provides that the Company charge the Large Customer Group retail rates consisting of monthly fixed energy charges, administrative costs, a reconciliation charge and a cost for complying with the New Hampshire Renewable Portfolio Standard (RPS) Law (RSA 362-F).

With its petition, Liberty submitted separately filed confidential information including the Company's transaction confirmation with the winning supplier, bid evaluation and summary, RPS compliance pricing and retail meter commodity cost calculations. The Company requested confidential treatment of these materials pursuant to N.H. Code Admin. Rules Puc 201.04(a)(5), Puc 201.06(a) and Puc 201.07. With respect to the wholesale power purchase prices included in the filing, the Company requested confidential treatment only until such time as the Federal Energy Regulatory Commission (FERC) requires those prices to be made public.

A hearing was held on December 19, 2012.

II. POSITIONS OF THE PARTIES

A. Liberty Utilities

Liberty testified that it conducted its solicitation process consistent with the terms of the settlement agreement approved by the Commission in Order No. 24,577. The request for proposal (RFP), which was issued on November 7, 2012, requested fixed pricing for each month

¹ On May 30, 2012 by Order No. 25,370, the Commission approved a series of transactions by which Liberty Energy NH acquired GSEC and EnergyNorth Natural Gas, Inc. from National Grid.

of service on an as-delivered energy basis and allowed prices to vary by month so that prices did not have to be uniform across the entire period.

According to Liberty, the RFP was issued to approximately 25 potential suppliers. The RFP was also distributed to all members of the New England Power Pool Markets Committee and posted on Liberty's energy supply website. According to Liberty, the RFP was widely distributed throughout the New England energy supply marketplace.

The Company testified that suppliers submitted indicative bids on December 4, 2012 and final proposals on December 11, 2012. Liberty testified that it evaluated the bids and selected HQ-US because its bid conformed to the RFP, had the lowest price, met the credit requirements described in the RFP and passed Liberty's qualitative evaluation. The Company attested that it complied with the solicitation and bid evaluation process approved by the Commission and asserted that its choice of supplier is reasonable.

On December 12, 2012, Liberty entered into a master power agreement and wholesale transaction confirmation with HQ-US to provide default service to the Large Customer Group for the period February through April 2013. Liberty testified that although the transaction confirmation and master power agreement have differences from the sample power supply agreement in the settlement agreement approved by the Commission, the executed documents do not shift any of the risks or obligations described in the sample power supply agreement provided in the settlement agreement.

Liberty testified that its RPS obligation for calendar year 2013 requires that the Company acquire 12% of load from renewable sources as follows: Class I (new renewable) to match 3.80% of sales and Class I (new useful thermal) to match 0.20% of sales; Class II (solar sources) to

match 0.20% of sales; Class III (existing biomass sources) to match 6.50% of sales; and Class IV (existing small hydro sources) to match 1.30% of sales. The Company complies with RPS obligations by procuring renewable energy certificates (RECs) that represent the renewable characteristics of the energy source, one REC representing one megawatt-hour of power.

In accordance with Order No. 24,922 (December 19, 2008) in Granite State Electric Company's 2008 default service proceeding, the Company requests bidders for default service supply to also provide a separate RPS compliance adder with their bids. The Company explained that the RPS compliance adder is the incremental charge to be paid to the bidder for the bidder's agreement to take on the RPS obligation connected with the default service obligation. According to the Company, HQ-US elected not to supply a RPS compliance adder with its bid. Liberty testified that it would meet its RPS compliance requirements by issuing an RFP to procure RECs; and that if it could not purchase a sufficient number of RECs, the Company would make alternative compliance payments into the Renewable Energy Fund. Liberty said it did not propose any change to the RPS adder in the instant filing because current market prices for RECs are similar to those used by Liberty in its last filing. *See* Order No. 25,416 (September 21, 2012).

Liberty testified that the rates for the Large Customer Group for the period February 1, 2013 through April 30, 2013, including the various components included in the rate, in cost per kWh, will be as follows:

Month	February 2013	March 2013	April 2013
Energy Rate	\$0.08986	\$0.07155	\$0.06215
RPS Adder	\$0.00428	\$0.00428	\$0.00428
Total Default Service	\$0.09414	\$0.07583	\$0.06643

Liberty attested that the filing was in compliance with the principles of its most recently filed and accepted least cost plan pursuant to RSA 378:40. Liberty requested that the Commission approve its petition and issue an order no later than December 21, 2012.

B. Staff

Staff stated that it had reviewed the petition and determined that Liberty had complied with the settlement agreement approved by the Commission in Order No. 24,577 in Docket DE 05-126 in conducting the bid solicitation and bid evaluation process, and in its selection of the winning bidder. Staff said that based upon its review, the resulting rates are market based. Staff also noted that, based upon its review, the information claimed to be confidential by the Company was similar to other information which the Commission had found to be confidential pursuant to New Hampshire Code Admin. Rules Puc 201. Staff recommended that the Commission approve the petition.

III. COMMISSION ANALYSIS

We find that Liberty complied with the procedures used in Order No. 24,577 regarding Liberty's bid solicitation, analysis of the bids, and its selection of the winning bidder for default service supply for its Large Customer Group for the three-month period from February 1, 2013 through April 30, 2013. We are likewise satisfied that the participation of multiple bidders in the process is indicative of a competitive bid and, consequently, that the result is consistent with the requirement of RSA 374-F:3, V(c) that default service be procured through the competitive market.

We also find that Liberty's evaluation of the bids and its selection of HQ-US as its default service supplier for the Large Customer Group for the period from February 1, 2013

through April 30, 2013 are reasonable. The testimony of the Company, together with the bid evaluation report, indicates that the bid prices reflect current market conditions and, therefore, are reasonable. In light of these circumstances, we will grant the petition.

Liberty submitted certain confidential information pursuant to N.H. Code Admin. Rules Puc 201.04, 201.06 and 201.07. The information for which Liberty seeks confidential treatment consists of the Company's transaction confirmation with the winning supplier, bid evaluation and summary, RPS compliance pricing and retail meter commodity cost calculations.

After reviewing the material redacted from the instant filing, we find that the category of information for which Liberty seeks confidential treatment is information routinely submitted in connection with default service proceedings as defined in Puc 201.06(a)(30). Therefore, the information shall be accorded confidential treatment subject to the provisions of Puc 201.07. The wholesale power costs contained in Liberty's filing shall be accorded confidential treatment only until such time as the costs are made public through the operation of the rules of the Federal Energy Regulatory Commission. We note that this ruling is consistent with prior orders in this docket. *See, e.g.* Order No. 25,376 (June 22, 2012) at 6-7.

Finally, pursuant to RSA 378:41, we note that the Company has attested that this filing is consistent with the principles of its most recently filed and accepted least cost plan.

Based upon the foregoing, it is hereby

ORDERED, that the Transaction Agreement and Master Power Agreement between Granite State Energy Company d/b/a Liberty Utilities and H.Q. Energy Services (U.S.), Inc. for default service supply for Granite State Electric Company for its Large Customer Group for the period February 1, 2013 through April 30, 2013 is APPROVED; and it is


FURTHER ORDERED, that the power supply costs resulting from the solicitations are reasonable and, subject to the ongoing obligations of Liberty to act prudently, according to the law and in conformity with Commission orders, the amounts payable to the seller for power supply costs under the three-month transaction confirmation for the period February 1, 2013 through April 30, 2013 may be recovered through Liberty's default service rates; and it is

FURTHER ORDERED, that Liberty shall file conforming tariffs within 30 days of the date of this Order consistent with N.H. Code Admin. Rule Puc 1603.02.

By order of the Public Utilities Commission of New Hampshire this twentieth day of December, 2012.



Michael D. Harrington
Commissioner



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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