

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 12-341

GRANITE STATE ELECTRIC COMPANY d/b/a LIBERTY UTILITIES

Proposed Retail Rate Adjustments for 2013

ORDER OF NOTICE

On November 27, 2012, Granite State Electric Company d/b/a Liberty Utilities (Granite State or Company) filed its request for approval of retail rate adjustments related to its stranded cost charge and transmission service charge and for approval of a GreenUp Service Recovery Adjustment (GSRA) factor for effect with service rendered on and after January 1, 2013. Granite State calculated the aggregate impact of the rate changes on an average monthly residential bill of 665 kilowatt hours (kWh) to be \$1.59, or a monthly increase of 1.73% over a current bill of \$92.14 to \$93.73.

Granite State's stranded cost charge recovers the Contract Termination Charge (CTC) billed by New England Power Company (NEP) in connection with the termination of NEP's all-requirements power contracts with National Grid prior to the advent of retail competition in National Grid's service territory. The Commission approved the applicable recovery mechanism in *Granite State Electric Company*, Order No. 23,041 (October 7, 1998) 83 NH PUC 532. Liberty Utilities acquired Granite State and related obligations from National Grid according to terms of a settlement agreement approved by the Commission in Docket No. DG 11-040. *See*, Order No. 25,379 (May 30, 2012). Granite State said that it had not finalized its 2013 CTC report but expected to do so on or before December 1, 2012. In the instant filing, Granite State proposed to increase the uniform stranded cost charge from 0.090 cents per kWh to 0.150 cents

per kWh. The Company stated that, if the final CTC charge is different than the proposed charge, Granite State will provide an update.

Granite State's transmission service charge includes costs that Granite State incurs in providing transmission service. Through the transmission service charge, Granite State recovers costs billed to it by the Independent System Operator-New England (ISO-NE) and NEP through the ISO-NE Transmission, Markets and Services Tariff. According to the Company, the transmission service charge is designed to recover estimated transmission expense during the upcoming calendar year, together with an adjustment for over- or under-recoveries that occurred in the prior period. During 2013, transmission expenses and adjustments are forecasted to produce an average transmission rate of 1.797 cents per kWh as compared to the currently effective average transmission rate of 1.670 cents per kWh. Granite State attributed the increase in part to a significant number of transmission facilities forecasted to go into service in 2013.

The GreenUp Service Program (GreenUp) is an optional market-based renewable energy service offering instituted by Granite State to comply pursuant to RSA 374-F:3,V(f). The Commission approved Granite State's use of the GreenUp program and use of the GSRA factor in Order 25,101 (May 7, 2012) in Docket DE 09-225. The GSRA is a uniform cents per kWh factor applicable to all kWhs delivered by the Company to customers taking retail delivery service under each of the Company's rates. The Company establishes the GSRA factor annually based on a forecast of GSRA administrative costs and includes in the GSRA a full reconciliation and adjustment for any over- or under-recoveries occurring under the prior year's adjustment. In the instant filing, Granite State proposed a uniform GSRA factor credit of 0.001 cents per kWh to refund the existing over-collection of \$12,212 to customers.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2012/12-341.html>.

The filing raises, inter alia, issues related to the reconciliation of the CTC, the costs included in the stranded cost charge, the transmission service charge and the GSRA factor, and whether the rate changes and adjustment factors as proposed are just and reasonable as required by RSA 378:5 and 8. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

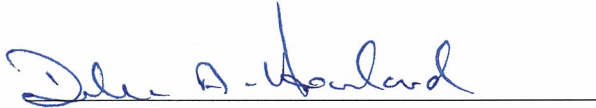
ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 19, 2012 at 1:30 p.m.; and it is

FURTHER ORDERED, that, pursuant to N.H. Code Admin. Rules Puc 203.12, Granite State shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 7, 2012, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 14, 2012; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Granite State and the Office of the Consumer Advocate on or before December 14, 2012, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

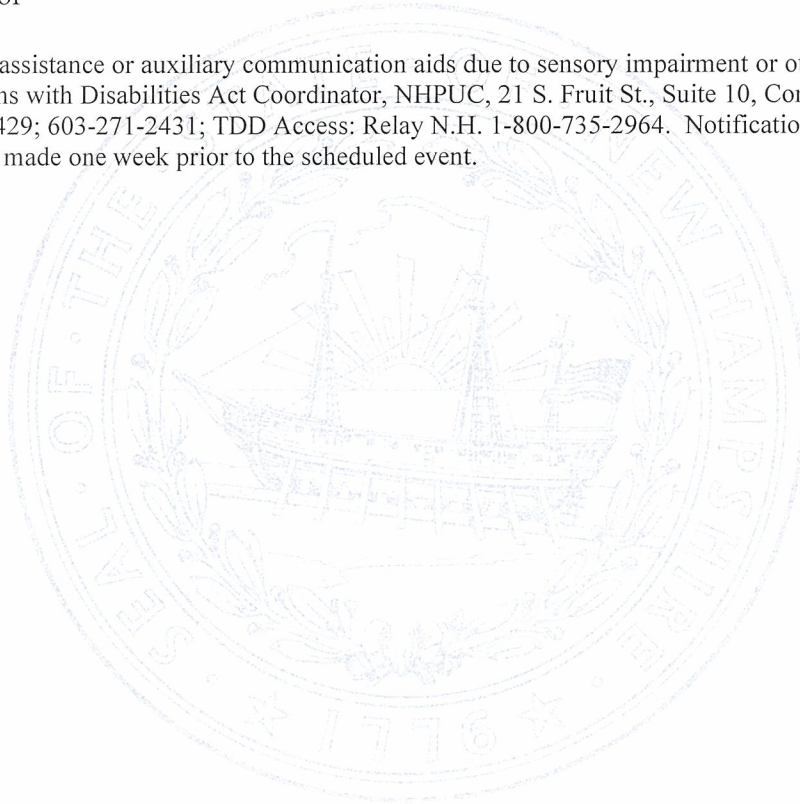
FURTHER ORDERED, that any party objecting to a Petition to Intervene make said
Objection on or before December 19, 2012.

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



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.



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.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
Christina.Martin@oca.nh.gov
grant.siwinski@puc.nh.gov
sarah.knowlton@libertyutilities.com
steve.mullen@puc.nh.gov
susan.chamberlin@oca.nh.gov
suzanne.amidon@puc.nh.gov
tom.frantz@puc.nh.gov

Docket #: 12-341-1 Printed: December 04, 2012

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.