

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

RE: GRANITE STATE ELECTRIC COMPANY D/B/A LIBERTY UTILITIES

DOCKET NO. DE 13-063

Petition for Temporary Rates

NOW COMES Granite State Electric Company d/b/a Liberty Utilities (“Liberty Utilities” or the “Company”), pursuant to RSA 378:27 and petitions the New Hampshire Public Utilities Commission (the “Commission”) to fix, determine and prescribe, effective with service rendered on and after July 1, 2013, reasonable temporary rates pending the Commission’s final determination on the Company’s request for a permanent rate increase in this docket. In support hereof, the Company states as follows:

1. On February 27, 2013, and in accordance with Puc 1604.05, the Company filed a Notice of Intent to File Rate Schedules with the Commission and the Office of Consumer Advocate. Contemporaneous with this Petition for Temporary Rates, the Company is filing proposed revised tariff pages to Tariff NHPUC No. 18 – Electricity and supporting testimony and schedules proposing changes to the Company’s permanent rates that are intended to yield an increase of \$14,168,940 in annual operating revenues in order to afford the Company an opportunity to earn a reasonable return on its investment necessary to provide service to its customers. The Company is also requesting that the Commission grant a step increase for investments made in 2013, which would result in additional annual revenue of approximately \$1.2 million.

2. As set forth in the joint pre-filed testimony of ChristiAne G. Mason and Dr. Michael R. Schmidt in Support of Temporary Rates, the Company's return as of December 31, 2012 was *negative* 0.75%, compared to its last authorized return of 8.61%. This under-earning is a result of a material increase in rate base since the Company's last general distribution rate case, *see* DR 95-169, and significant increases in operating expenses. For example, since 1997, the Company's net plant in service has increased by approximately \$33.7 million, while property taxes have increased 91% since 2006. The Company continues to invest significant amounts in non-revenue producing capital projects that are necessary for the provision of safe and reliable electric service, which will result in a further erosion of the Company's return. Unless temporary and permanent rate relief is granted, the Company will not earn a reasonable return on the cost of its property used and useful in the public service, thereby resulting in a confiscation of the Company's property.

3. The reports on file with the Commission and supporting documentation filed in connection with this case demonstrate that the Company is entitled to an increase in rates in order to have an opportunity to earn a reasonable rate of return. The Company is requesting that the Commission authorize it to increase rates on a temporary basis in order to generate an additional \$9,215,479 in annual operating revenues. This proposed increase is consistent with the requirements of RSA 378:27, which provides that "temporary rates shall be sufficient to yield not less than a reasonable return on the cost of property of the utility used and useful in the public service less accrued depreciation..."

4. The temporary rate relief requested by this petition will increase customers' total bills on average by approximately 11.7%. For a residential customer taking service under Rate D and using 500 kWh per month, the increase is \$7.56 per month, equal to a total bill increase of

10.8%. The Company is proposing to implement the temporary rate increase by increasing all customers' bills by the same percentage while maintaining the current rate design during the pendency of the case. A comparison of current rates versus the proposed temporary rates is included as Attachment CGM/MRS-T, Schedule T-3 with Ms. Mason and Dr. Schmidt's temporary rate testimony. *See also* Report of Proposed Rate Changes. To the extent necessary to support this petition, the Company incorporates by reference the testimony and supporting materials filed in support of its request for permanent rate relief.

5. The temporary rates proposed are just and reasonable, and therefore should be authorized by the Commission.

WHEREFORE, Liberty Utilities respectfully requests that the Commission:

- A. Grant this Petition for Temporary Rates, allowing the Company an increase in the amount of \$9,215,479 in annual operating revenue to be effective with service rendered on and after July 1, 2013;
- B. Order such temporary rates to remain in effect until a final determination of the Company's request for a permanent rate increase, and;
- C. Grant such other relief as is just and reasonable and consistent with the public interest.

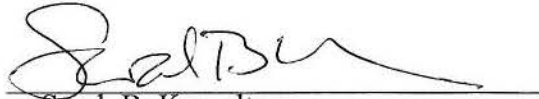
Respectfully submitted,

GRANITE STATE ELECTRIC COMPANY D/B/A
LIBERTY UTILITIES

By its Attorney,

Date: March 29, 2013

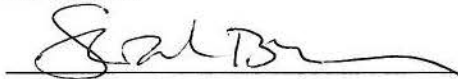
By:



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Certificate of Service

I hereby certify that on March 29, 2013, a copy of this Petition for Temporary Rates has been forwarded to the service list in this docket.



Sarah B. Knowlton