

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

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EnergyNorth Natural Gas, Inc., Granite State Electric Co.,  
Liberty Energy Utilities (New Hampshire) Corp.,  
Liberty Energy Utilities Co. and Liberty Utilities Co.

Petition for Approval of Proposed Reorganization

NOW COMES EnergyNorth Natural Gas, Inc. (“EnergyNorth”), Granite State Electric Co. (“Granite State”), Liberty Energy Utilities (New Hampshire) Corp. d/b/a Liberty Utilities (“Liberty NH”), Liberty Energy Utilities Co. (“Liberty Energy”) and Liberty Utilities Co. (“LUC”) (jointly referred to herein as the “Applicants”) and hereby submits this Petition requesting approval, pursuant to RSA 369:8, II(a)<sup>1</sup> and RSA 374:33, for a non-substantive corporate reorganization to eliminate an unnecessary corporate entity in Liberty NH’s chain of ownership, by way of a merger involving Liberty NH’s corporate parents Liberty Energy and LUC. In support of its petition, the Applicants state as follows:

**Introduction**

1. If this Petition is approved, Liberty Energy and LUC propose to enter into a merger agreement, the form of which is attached as Exhibit A (the “Merger Agreement”). The

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<sup>1</sup> RSA 369:8, II (a) provides that “[t]o the extent that the approval of the commission is required by any other statute for any corporate restructuring...involving parent companies of a public utility..., the approval of the commission shall not be required if the public utility files with the commission a detailed representation in writing no less than 60 days prior to the anticipated completion of the transaction that the transaction will not adversely affect rates, terms, service, or operation of the public utility within the state.” However, since the proposed restructuring will occur by way of a merger, to the extent the Commission deems it applicable, the Applicants alternatively request approval pursuant to RSA 369:8, II(b).

Merger Agreement provides for the merger of Liberty Energy and LUC with LUC being the surviving entity.

2. The proposed transaction results in a purely technical change in ownership of Liberty NH. Liberty NH is the parent company of two regulated public utilities: EnergyNorth and Granite State. Liberty NH is in turn currently owned directly by Liberty Energy and indirectly by LUC. Following the proposed merger, Liberty Energy will cease to exist and LUC will own Liberty NH directly. Thus, there is no substantive change of control over Liberty NH, EnergyNorth or Granite State. No new buyer or outside entity is involved in the transaction. The ultimate ownership and control of Liberty NH will not change; Algonquin Power & Utilities Corp. (“Algonquin”) will continue to be the ultimate parent to Liberty NH, EnergyNorth and Granite State.

3. Accordingly, the proposed transaction will result in a simplification of Algonquin’s corporate structure without affecting the operations of Liberty NH. The proposed transaction will reduce corporate governance compliance expenses and filings. Additionally, directors will no longer have to be provided for Liberty Energy. The proposed transaction will also simplify inter-company transactions by eliminating a layer in the corporate structure. There will be no other effect on Liberty NH, EnergyNorth or Granite State.

#### **The Applicants and Related Parties**

4. Liberty NH is corporation duly organized and existing under the laws of the State of Delaware. Liberty NH is the owner of two regulated public utilities: EnergyNorth and Granite State.

5. Liberty NH’s ultimate parent, Algonquin, is a Canadian corporation whose stock is traded on the Toronto Stock Exchange. Algonquin has two business units: (a) a power

generation unit that owns or has interests in renewable energy facilities and thermal energy facilities representing more than 1100 MW of installed capacity, and (b) a utility services unit that owns and operates twenty six regulated utilities located in eight states that provide retail water, sewer, electric and natural gas service.

6. As discussed above, Liberty NH is an indirect subsidiary of Algonquin.

Algonquin conducts its regulated utility operations through subsidiaries. Algonquin's regulated utilities are organized under its wholly owned subsidiary Liberty Utilities (Canada) Corp., a Canadian Corporation, which owns LUC, a Delaware corporation, which through subsidiaries provides electrical utility service to approximately 90,000 customers, natural gas distribution service to over 167,000 customers, and regulated water service to more than 89,000 customers. LUC owns Liberty Energy, which is the immediate parent of Liberty NH. A diagram showing the current and proposed post-merger corporate structures is attached as Exhibit B.

### **The Proposed Transaction**

7. The Merger Agreement provides for the merger of Liberty Energy into LUC with the surviving entity being LUC. Liberty NH, EnergyNorth and Granite State will not be parties to the merger that comprises the proposed transaction.

8. As a result of the proposed transaction, Liberty NH's new immediate corporate parent will be LUC. Liberty NH will remain an indirect subsidiary of Algonquin. EnergyNorth and Granite State will remain direct subsidiaries of Liberty NH.

9. The ultimate ownership and control of EnergyNorth and Granite State will remain unchanged. No assets of Liberty NH, EnergyNorth or Granite State will change ownership as a result of the proposed transaction and Liberty NH will not be merged with any other company.

10. EnergyNorth and Granite State will continue to operate as separate corporations providing natural gas and electric service respectively to each company's service areas. Thus, the proposed transaction will not adversely affect rates, terms, service, or operation of either EnergyNorth or Granite State. The transaction will simply remove a link in LUC's ownership of Liberty NH.

11. The proposed reorganization does not involve the issuance of new equity by Liberty NH. Rather, as a result of the merger, all of Liberty NH's outstanding stock will become owned by LUC. Liberty NH will create replacement share certificates in the name of LUC to replace the share certificates currently held by Liberty Energy, but that certificate will not represent new equity, merely direct ownership of the existing equity. No debt is being issued in connection with this transaction.

12. No costs associated with the proposed transaction will be passed through to New Hampshire ratepayers, and EnergyNorth and Granite State commit not to seek recovery of any of those costs from New Hampshire ratepayers.

WHEREFORE, the Applicants respectfully request that the Commission:

- A. Issue an Order *Nisi* approving the proposed corporate reorganization within sixty (60) days hereof;
- B. Issue all other approvals, authorization or clearances, if any, to the extent necessary to allow the Petitioners to effect the proposed corporate reorganization; and
- C. Grant such other and further relief as may be just and equitable.

Respectfully submitted,

ENERGYNORTH NATURAL GAS, INC.,  
GRANITE STATE ELECTRIC CO., LIBERTY  
ENERGY UTILITIES (NEW HAMPSHIRE)  
CORP., LIBERTY ENERGY UTILITIES CO.  
and LIBERTY UTILITIES CO.

By its Attorneys,  
DEVINE, MILLIMET & BRANCH,  
PROFESSIONAL ASSOCIATION

Dated: September 10, 2013

By:



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