

March 29, 2013

By Hand Delivery

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Re: DE 13-063; Granite State Electric Company d/b/a Liberty Utilities – Rate Case

Dear Ms. Howland:

On behalf of Granite State Electric Company d/b/a Liberty Utilities (the “Company”), I enclose for filing with the Commission in the above-captioned docket the following:

1. An original and two copies of tariff pages reflecting Liberty Utilities’ request for an increase in permanent rates;
2. An original and two copies of tariff pages reflecting Liberty Utilities' request for temporary rates;
3. An original and six copies of a Petition for Temporary Rates and Joint Testimony of ChristiAne G. Mason and Dr. Michael R. Schmidt regarding temporary rates;
4. An original and five copies of the Company's permanent rate filing, containing prefiled testimony of various witnesses and other information required pursuant to N.H. Code of Admin. Rules Puc Ch. 1600;
5. An original and six copies of a Motion for Waiver regarding of certain requirements under the New Hampshire Code of Administrative Rules;
6. An original and six copies of a Motion for Protective Order and Confidential Treatment Regarding Compensation Information;
7. Six copies of the form of notice to customers, which will be included in customer bills within 30 days of this filing, and;
8. A flash drive containing electronic copies of all the foregoing documents.

I am also enclosing a separate envelope containing five copies of confidential compensation information required to be filed pursuant to N.H. Code of Admin. Rules Puc 1604.01(a)(14). This information is simultaneously being filed in redacted form with the rest of the Company's permanent rate case materials.

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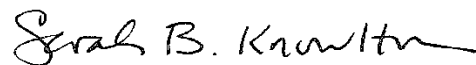
The Company is filing this case because, under the rates currently in effect, it is unable earn the rate of return authorized by the Commission in its Order No. 24,777 in Docket DG 06-107. In particular, for the test year ended December 31, 2012, the Company's overall earned rate of return was negative 0.75% versus the 8.61% overall return authorized by the Commission.

In light of the Company's negative overall return, the Company is seeking a permanent increase of \$14,168,940 in annual revenue which would result in an increase in customers' bills of 18% on average on an overall basis. In addition, the Company seeks a step increase to recover an annual revenue deficiency of approximately \$1.2 million based on approximately \$9.2 million in capital additions in 2013. The Company's temporary rate filing seeks an increase of \$9,215,479 in annual revenues, which would result in an increase in customers' bills of 11.7% on average on an overall basis. The Company is requesting that temporary rates take effect on a service rendered basis on and after July 1, 2013.

As described in the enclosed filing, the Company continues to invest significant capital in its electric distribution system that is necessary for the Company to maintain safe and reliable electric service. This ongoing capital investment and increases in the Company's operating expenses are continuing to reduce the Company's earned return, which is already 936 basis points below its authorized return. The Company requests that the Commission schedule a prehearing conference and hearing on temporary rates at the earliest date that the Commission can reasonably accommodate in order to mitigate this significant erosion in the Company's financial performance.

Thank you for your assistance with this matter. Please do not hesitate to contact me should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sarah B. Knowlton", with a stylized flourish at the end.

Sarah B. Knowlton

Enclosures

cc: Service list