



Liberty UtilitiesSM

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September 25, 2014

By Electronic Mail Only

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

**Re: Docket No. DE 14-031; Liberty Utilities (Granite State Electric) Corp.
Energy Service Rates for the Period November 1, 2014 through April 30, 2015**

Dear Ms. Howland:

I am writing to provide Liberty Utilities (Granite State Electric) Corp's comments on the two orders from the Maine Public Utilities Commission submitted as Exhibit 8 in the September 24, 2014 hearing in the above-captioned docket. The Company has reviewed the orders and asserts they do not support the Office of Consumer Advocate's ("OCA") position.

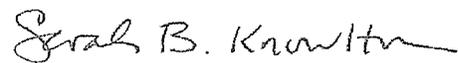
In this docket, the OCA argues that the Commission should reject the Company's proposed rates. This, in turn, would have the effect of voiding the Company's Confirmations to purchase power under its Master Power Agreements with each of the winning suppliers. OCA relies on Exhibit 8 (the two Maine orders) as support for the proposition that other public utility commissions have rejected contracts for default service that were the result of a competitive solicitation. The Maine orders involve a situation where the Maine Public Utilities Commission issued a request for proposal for the long-term provision of standard offer service to all of Maine Public Service's customers, and in response, received two bids from only one bidder. The Maine Commission determined that "[p]articipation by a single bidder is contradictory to the basic premise of the standard offer solicitation process...A solicitation process that yields only one bidder cannot be considered competitive and frustrates the purposes of the standard offer process," November 16, 2006 Order in Docket No. 2006-513 at 2, and rejected the bids. In its December 18, 2006 order, the Maine Commission overturned its first order, concluding it would proceed based on a single bid given its subsequent ability to compare the bid to other indicators of market price.

The case before this Commission does not involve a situation where only one bid for supply was received and there was a question about whether the bid price was reflective of market prices. Here, the record demonstrates the Company complied with the legally mandated

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solicitation process to obtain supply for its energy service customers, there was a robust response to the Company's solicitation through the participation of multiple bidders and the resultant bid prices were consistent with market prices. *See Exhibit 7.* That is entirely different from the circumstance faced by the Maine Commission in 2006 when only one bidder responded to the solicitation and thus there was no competition and no indication of market prices. Thus, the Maine orders do not provide any support for the proposition that other commissions have rejected default service contracts obtained through a legally compliant competitive solicitation process that have resulted in market-based rates. For these reasons, as well as the Company's position stated at the September 24 hearing, the Company requests that the Commission find that the Company complied with the solicitation requirements for the procurement in question and approve the rates as proposed.

Very truly yours,



Sarah B. Knowlton

cc: Service list