

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 17-049

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.
d/b/a LIBERTY UTILITIES**

Annual Retail Rate Adjustment Filing

ORDER OF NOTICE

On March 23, 2017, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (“Liberty”) filed a request for approval of annual retail rate adjustments related to its stranded cost charge and transmission service charge. Liberty calculated that the impact of the rate changes for a residential electric customer using 650 kilowatt hours (kWh) per month would be a monthly bill increase of \$4.74, a 4.66% increase from current average monthly bills. The increase is due primarily to a reduction in the amount of prior over-collections currently being refunded through the transmission service charge. Liberty also filed supporting testimony and related exhibits.

Liberty’s stranded cost charge recovers a contract termination charge from New England Power Company (NEP) for termination of an all-requirements power contract prior to the advent of retail competition in Liberty’s service territory.¹ The Commission approved the applicable recovery mechanism in Order No. 23,041, (October 7, 1998). NEP filed a 2016 contract termination charge reconciliation report for review in Docket No. DE 17-015, which would keep Liberty’s stranded cost charge at 0.040 cents per kWh, effective May 1, 2017. Liberty also requests approval of a stranded cost adjustment factor of .009 cents per kWh to collect prior under-collections.

¹ According to Liberty, its customers were served by generation assets owned by its then affiliate NEP. The contract termination charge was established to recover stranded costs associated with the divestiture of NEP’s generation assets and will terminate in 2020.

Liberty's transmission service charge recovers costs billed to it through the Independent System Operator-New England (ISO-NE) Transmission, Markets and Services Tariff. The transmission service charge is designed to recover estimated transmission costs for 2017, together with an adjustment for over- or under-recoveries that occurred during the prior period. The Company forecasts transmission costs to be approximately \$21.3 million in 2017. This forecast of transmission costs results in an average rate of 2.240 cents per kWh, compared to the current average rate of 2.374 cents per kWh, exclusive of adjustment factors. The Company proposes a transmission adjustment factor of a credit of 0.414 cents per kWh to refund prior over-collections.

Liberty also proposes a credit of 0.137 cents per kWh for excess proceeds from Regional Greenhouse Gas Initiative (RGGI) auctions.

The filing 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/2017/17-049.html>.

The filing raises, *inter alia*, issues related to Liberty's annual retail rate adjustment including reconciliation of the costs included in the stranded cost charge, the transmission charge, the RGGI rebate allocation, and whether the rate changes and adjustment factors as proposed are just and reasonable, as required by RSA 378:6 and 7. 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

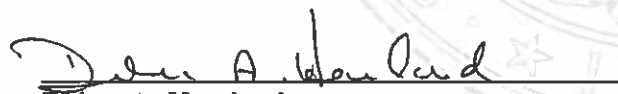
ORDERED, that a hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 11, 2017, at 9:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order no later than April 5, 2017, 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 April 7, 2017; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before April 7, 2017, 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 it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before April 11, 2017.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of March, 2017.


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.

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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.