



John Warshaw
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January 24, 2013

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

Re: Docket No. DE 12-362; Rebate of Excess Regional Greenhouse Gas Initiative Allowance Auction Proceeds to Default Service Customers.

Dear Ms. Howland:

Granite State Electric Company d/b/a Liberty Utilities is pleased to provide comments to the Commission regarding the allocation and distribution of excess Regional Greenhouse Gas Initiative (RGGI) allowance funds as discussed in the Notice opening Docket No. DE 12-362.

In the Notice issued by the Commission, the Commission asked for comments on two general issues. The first issue was regarding how to allocate the RGGI rebate amounts among the electric utilities and the second was how the electric utilities should distribute the rebates to their default service customers. Liberty Utilities believes that the over-arching goal for any allocation or distribution process should be one that results in a process that is transparent, efficient and consistent across all utilities.

Regarding the allocation of the RGGI rebate amounts to the electric utilities, Liberty Utilities suggests that the allocation process be based on information that is publicly available and timely; such as historic default service sales. Attempting to use RGGI costs would require most utilities to develop estimates of their RGGI costs since the wholesale transactions to serve default service load cannot be broken down into their individual market components. Many of the wholesale suppliers of default service are not the owners of the facilities that incur the RGGI obligation and associated costs. The example provided by PSNH to allocate rebate amounts based on a combination of actual and proxy RGGI costs does not make a significant difference in the allocation to the various utilities. This may change when using actual RGGI costs. In addition, the example does not subtract any sales to ISO-NE or other participants when generation exceeds load. These sales would have RGGI costs associated with the excess generation.

Liberty Utilities suggest using an electric utility's existing rate adjustment filing for the distribution of RGGI rebate amounts to its default service customers. As an example, Liberty Utilities could easily include the RGGI rebate amounts in its annual Default Service

Reconciliation filing. Any RGGI rebate amounts received by Liberty Utilities prior to the filing would receive an interest credit until included in the reconciliation filing. This would be easily verifiable by the Commission when reviewing the filing. Liberty Utilities sees no need to add a separate line item in the customer's bill for this item.

Thank you for your consideration of our comments and we look forward to participating in any future discussion regarding this issue.

Very truly yours,

A handwritten signature in blue ink that reads "John D. Warshaw". The signature is written in a cursive style with a long, sweeping tail on the final letter.

John Warshaw

cc: Service list