

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

**RE: LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. D/B/A LIBERTY  
UTILITIES**

**DOCKET NO. DE 14-031**

**Petition for Alternate Plan for Procurement of Energy Service Requirements for all  
Customer Groups**

NOW COMES Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (“Liberty Utilities” or the “Company”) and petitions the New Hampshire Public Utilities Commission (the “Commission”) for approval to adopt an alternate plan for procurement of Energy Service requirements for all customer groups (the “Alternate Plan”) in the event of an unsuccessful competitive solicitation for such requirements. In support hereof, the Company states as follows:

1. In DE 05-126, the Commission approved a settlement agreement that established a process for the procurement of an all requirements load following service for the Company’s customers taking Energy Service from the Company. Since that time, the Company has been issuing Requests for Proposals (“RFP”) to competitive suppliers who, in turn, bid on providing energy, capacity and ancillary services required to meet the instantaneous need of the Company’s Energy Service customers. The Company now requests that the Commission modify the existing process to allow for an alternative procurement process in the event that the Company does not receive a sufficient response to the issuance of an RFP.

2. As discussed in detail in the Technical Statement of John D. Warshaw, which accompanies this petition, the Company seeks approval for the Alternate Plan because the number of bidders in response to the Company's RFPs has decreased in the most recent RFP, at the same time that other electric distribution utilities in surrounding states are experiencing difficulties in securing electric supply through similar competitive bid processes.

3. As set forth in Mr. Warshaw's Technical Statement, if an RFP results in no supplier, the Company would serve its Energy Service customers by purchasing energy in the ISO-NE hourly Real-Time market and would incur capacity and ancillary service costs associated with any obligation in the Real-Time market. The Company would then determine a retail price to charge Energy Service customers taking into account the following: (a) energy prices in the NYMEX forward prices for the ISO-NE Mass Hub Off-Peak & On-Peak LMP Futures; (b) an adjustment for future price volatility; (c) the cost of ancillary services based on the most recently published data for the New Hampshire load zone; (d) capacity costs based on Forward Capacity Market prices, and; (e) adjustments for losses from PTF to the retail customer.

4. To the extent there were any variances between purchased power costs and Energy Service revenue from customers, the Company would propose to the Commission an incremental reconciling adjustment in the Company's next Energy Service filing instead of waiting until March when the Company files its annual reconciling adjustments for Energy Service. If the accumulated variance exceeded \$1,000,000, the Company would file updated Energy Service rates for the remaining months of the period that would include an incremental reconciliation and adjustment for significant wholesale market changes. If significant migration to one or more competitive energy providers resulted in a variance that was unrecoverable from the remaining Energy Service customers in a particular customer group, the Company would

propose a temporary non-by-passable charge applicable only to those distribution customers in a customer group for which the contingency plan was implemented.

5. It is likely that the Company would be required to provide additional financial assurance to ISO-NE given the incremental purchases that occur once the plan was implemented. The Company stands ready to provide any financial assurance required by ISO-NE in order to implement the Alternate Plan. In addition, the Company is currently staffed sufficiently to implement the Alternate Plan.

6. Given that the Company will issue its next RFP for all-requirements for Energy Service on August 15, with final bids due on September 16, the Company seeks prompt approval of the Alternate Plan in light of the possibility that the Company may need to implement it imminently. The Company has met with the Staff of the Commission to discuss this proposal.

7. For the foregoing reasons, the Company seeks authority from the Commission to adopt the Alternate Plan and implement it on an as needed basis.

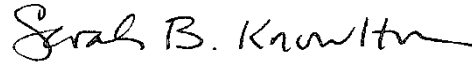
WHEREFORE, Liberty Utilities respectfully requests that the Commission:

- A. Issue an Order Nisi authorizing the Company to adopt the Alternate Plan and to implement it on an as needed basis; and
- B. Such other relief as is just and equitable.

Respectfully submitted,

GRANITE STATE ELECTRIC COMPANY D/B/A  
LIBERTY UTILITIES

By its Attorney,



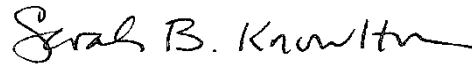
Date: August 1, 2014

By: \_\_\_\_\_

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Certificate of Service

I hereby certify that on August 1, 2014, a copy of this Petition has been forwarded to Susan Chamberlin, Esq., Consumer Advocate.



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Sarah B. Knowlton