



Stephen R. Hall
Director, Rates & Regulatory Affairs
C: 603-328-2721
E: Stephen.Hall@libertyutilities.com

September 17, 2015

Via Hand Delivery and Electronic Mail

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

**Re: IR 15-296; Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Investigation into Grid Modernization**

Dear Ms. Howland:

On July 8, 2015, the Governor signed House Bill 614, implementing goals of the state's 10-year energy strategy developed by the New Hampshire Office of Energy and Planning. Pursuant to House Bill 614, the Commission "shall open a docket on electric grid modernization on or before August 1, 2015." The strategy document states that "[g]rid modernization refers to a wide range of actions aimed at ensuring that the electric grid is more resilient and flexible, better able to integrate variable energy sources and demand side management, and capable of providing real-time information to help customers manage this energy use and reduce energy cost."

In the Order of Notice issued July 30, 2015, in Docket No. IR 15-296, Investigation into Grid Modernization, the Commission stated that the electric distribution utilities are mandatory parties to this proceeding and ordered that all interested parties file comments no later than September 17, 2015. The Commission is seeking comment on the definition or elements of grid modernization that should be included in the investigation. Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities ("Liberty") is pleased to provide comments to the Commission regarding a review of grid modernization.

As stated in the order of notice, grid modernization is a broad topic covering a myriad of potential subject areas, many of which are examined in existing proceedings. For instance, Liberty will be filing its Least Cost Integrated Resource Plan by January 16, 2016. In this plan, the Company will address demand forecasting, energy efficiency, distributed generation, supply and distribution planning, and non-wires alternatives. Liberty is actively engaged in the replacement of aging infrastructure through its Reliability Enhancement Program. The integration of distributed generation in the Company's territory is occurring through the state's net metering program. In fact, Liberty reached its capacity limit under the program as of July 28, 2015.

With respect to energy efficiency, Liberty filed its 2014 CORE Energy Efficiency 2014 Year End Report in Docket No. DE 12-262 on June 1, 2015, for all electric programs offered by the utility including Home Energy Assistance, ENERGY STAR Appliances, ENERGY STAR Homes, and Residential Building

Debra A. Howland
September 17, 2015
Page 2

Practices & Demo with participant information for all programs in 2014. The report provides the actual kilowatt-hour (kWh) electric savings for 2014 which totaled 1,864,978 lifetime kilowatt-hours. The annual kWh savings were 98,350 for 455 participants. In addition, an examination of an Energy Efficiency Resource Standard involving expanded energy efficiency opportunities is currently taking place in Docket No. DE 15-137.

Liberty believes that while grid modernization is a very important aspect of distribution planning, there are many opinions as to the definition of grid modernization and the term itself is expansive. Some grid modernization activities are ongoing and others involve concepts and technology that will require careful planning and additional funding. Any examination of grid modernization should take into account the cost associated with such efforts, and that cost should be weighed against the potential benefits. Finally, in determining the scope of the proceeding, the Commission should take into account ongoing activities and proceedings to try to minimize duplication and proceed in the most efficient manner possible.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Hall". The signature is written in a cursive style with a large, stylized 'S' and 'H'.

Stephen R. Hall

Cc: Service List