

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

DE 13-018

Granite State Electric Company d/b/a Liberty Utilities

Petition for Approval of Revisions  
to Default Service Solicitation Process

NOW COMES Granite State Electric Company d/b/a Liberty Utilities (“Liberty” or “Company”) and hereby submits this Petition requesting approval of the Public Utility Commission (the “Commission”) to change the procurement schedule for default service supply to Liberty’s medium and large customers. In support of its petition, Liberty states as follows:

1. The current process for the procurement of energy supplies for Liberty’s medium and large customers (the “Large Customer Group”) and for Liberty’s residential and small commercial customers (the “Small Customer Group”) when a customer in either group is not purchasing its energy supply from a competitive electric power supplier or aggregator is set forth in the Settlement between Granite State Electric Company (“Granite State”), Commission Staff and the Office of the Consumer Advocate, which was approved by the Commission in Docket No. DE 05-126 in Order No. 24,577 (January 13, 2006), and subsequently modified and approved in Order No. 29,922 (December 19, 2008) (as amended, the “Settlement Agreement”). Pursuant to the terms of the Settlement Agreement, solicitations for the Large Customer Group are issued quarterly and solicitations for the Small Customer Group semi-annually.

2. This procurement schedule was developed by National Grid, the prior parent company of Granite State, to include Granite State’s solicitations with those for National

Grid's other out-of-state utilities. While the process may have been effective for National Grid, this solicitation schedule results in certain inefficiencies when applied to Liberty's single-state solicitation process. Accordingly, Liberty proposes to further amend the Settlement Agreement to change the required procurement schedule for the Large Customer Group from four times per year to twice per year, consistent with the existing approved schedule for the Small Customer Group.

3. As discussed in greater detail in the Technical Statement of John D. Warshaw attached to this Petition, the proposed change to the default service procurement schedule will provide additional efficiencies without negatively impacting the Company's medium and large customers. The revised schedule further differentiates the Granite State and National Grid procurement process, thereby reducing confusion by prospective bidders due to the change from one solicitation for two National Grid companies to two separate independent solicitations for National Grid and Liberty.

4. Increasing the procurement from three months to six months for the Large Customer Group would be consistent with the current process currently approved for the Small Customer Group. Thus, the change would allow Liberty to focus on other customer concerns instead of the preparation and execution of four default service energy supply solicitations and rate filings. Reducing the number of solicitations from four per year to two per year for default service energy supply would also reduce the number of default service rate hearings from four to two per year, eliminating a filing and hearing in June and December, at a time when Commission scheduling is at a premium.

5. Moreover, by splitting the Large Customer Group solicitations into two three-month blocks rather than a single six-month block, Liberty will be able to take advantage of any

differences suppliers may have when evaluating the cost of serving a load block in the later three-month period vs. the earlier three-month period. This would also reduce mitigation risk to suppliers by allowing them only on the current three-month period and not on the later three-month period.

WHEREFORE, Liberty respectfully requests that the Commission issue an Order *Nisi* approving the requested amendment to the Settlement agreement so that Liberty may incorporate these changes to its RFP in the next default service solicitation for the Large Customer Group to be issued in February 2014, and to grant such other and further relief as may be just and equitable

Respectfully submitted,

GRANITE STATE ELECTRIC COMPANY  
D/B/A LIBERTY UTILITIES

By its Attorneys,  
DEVINE, MILLIMET & BRANCH,  
PROFESSIONAL ASSOCIATION

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By:   
Kevin M. Baum  
111 Amherst Street  
Manchester, NH 03101  
(603) 695-8545  
kbaum@devinemillimet.com