

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

RE: GRANITE STATE ELECTRIC COMPANY D/B/A LIBERTY UTILITIES

DOCKET NO. DE 13-___

**Verified Petition for Continuation of Reliability Enhancement Plan/Vegetation
Management Plan**

NOW COMES Granite State Electric Company d/b/a Liberty Utilities (“Liberty Utilities” or the “Company”) and petitions the New Hampshire Public Utilities Commission (the “Commission”) to continue the Company’s current Reliability Enhancement Plan/Vegetation Management Plan beyond its current expiration on March 31, 2013. In support hereof, the Company states as follows:

1. The Company has been operating a Reliability Enhancement Plan (“REP”) and Vegetation Management Plan (“VMP”) (collectively “REP/VMP Plan” or the “Plan”) since 2006, when the REP/VMP Plan was approved by the Commission as part of the National Grid/KeySpan merger proceeding in Docket No. DG 06-107. *See* Order 24,777. The purpose of the REP/VMP Plan as conceived in DG 06-107 was “to improve Granite State's reliability performance in order to bring Granite State back to historical performance levels that existed prior to 2005, with the goal of meeting those historical performance levels by the end of fiscal year 2013, March 31, 2013.” *Id.* at 14. REP/VMP activities were to include:

(1) feeder hardening measures, *i.e.*, equipment upgrades such as such as replacement of fuse cutouts, crossarms, poles, and transformers; installation of reclosers; lightning protection with bonding, grounding, and lightning arresters installations; and installation of animal guards, (2) augmented tree trimming and clearing, under which enhanced specifications for hazard tree removal are incorporated into the cycle tree trimming

program beyond what is normally included in tree trimming and improving circuit performance related to overhead vegetation, (3) asset replacement, which targets potted porcelain cutouts, oil fuse cutouts, distribution transformers, underground cable, and poles for replacement and includes adding new line reclosers and reconductoring selected feeders with spacer cable and (4) inspection and maintenance which involves a comprehensive overhead assessment of Granite State's equipment and feeders prior to performance of the work related to the reliability enhancement program. Activities associated with the vegetation management plan would be the traditional tree trimming activities reflected in certain existing charge codes.

Id. at 14-15.

2. Since 2009, and in accordance with Order 24,777, the Company has submitted its annual REP and VMP plans to Staff in or around February. (Under National Grid's ownership, the Company operated on an April 1 through March 31 fiscal year.) These annual plans have described the activities to be performed and targeted expenditures, as well as provided budgets for plan-related operations and maintenance expenses and capital investments which the Company would discuss with Staff and obtain its input prior to their implementation. Order 24,777 further established a process whereby each year on May 15, the Company would make a reconciliation filing with the Commission to either recover or refund to customers the difference between the Company's actual spending and an agreed base amount of spending of \$1,360,000. This reconciliation mechanism is reflected in the Company's Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor in its tariff. Similarly, the Company has submitted and obtained rate recovery of the revenue requirement for its capital expenditures associated with the REP/VMP Plan through an adjustment to its base distribution charges. *See e.g.*, Orders 24,998, 25,126, 25,245 and 25,377.

3. The importance of the continuation of the REP/VMP Plan was recognized in the Settlement Agreement in DG 11-040, the docket in which the Commission approved the acquisition of the Company by Liberty Energy Utilities (New Hampshire) Corp. In the Settlement Agreement, the Company agreed "that the REP and VMP conditions established in

Docket No. DG 06-107 and set forth in Attachment K should be approved by the Commission as renewed commitments undertaken by Granite State in this transaction.” Settlement Agreement in DG 11-040 at 30. Attachment K of the Settlement Agreement contained the terms and conditions of the REP/VMP Plan approved in DG 06-107, but did not explicitly extend the Plan beyond its initially approved five year term ending March 31, 2013. Similarly, Order 25,370, which approved the Settlement Agreement, did not include any further provisions regarding the REP/VMP Plan, though the Commission did acknowledge that the Fiscal Year 2013 plan was the final year of the Program in its ruling on the Fiscal Year 2012 rate reconciliation. Order 25,377 at 5.

4. Given the importance of the REP/VMP Plan to providing an ongoing and dedicated amount of investment in reliability initiatives, the Company is requesting that the Commission extend the term of the program from April 1, 2013 until such time as the Commission has considered and ruled on the Company’s proposed REP/VMP Plan in its base distribution rate case, which is expected to be filed on or around March 31, 2013.

5. In order to expedite consideration of the Company’s request, the Company is including as an attachment to this Verified Petition its planned REP/VMP Plan activities and budget for the period April 1, 2013 through December 31, 2013. (The Company now operates based on a calendar year fiscal year.) The Company welcomes the opportunity to meet with Staff to discuss the proposed Plan. In addition, the Company proposes to make its reconciliation filing for the 2013 expenditures by February 15, 2014. The Company further proposes to submit to Staff its REP/VMP Plan for calendar year 2014 by October 1, 2013.

6. The Company is requesting that the Commission approve the continuation of its REP/VMP Plan (and the Reliability Enhancement Program and Vegetation Management Plan

Adjustment Factor) through the issuance of an Order Nisi given the imminent expiration of the Company's REP/VMP Plan authority. Given that there is no rate change sought as part of this approval, the Company believes that this matter is appropriately addressed through such an order.

7. For the foregoing reasons, the Company submits that continuation of the REP/VMP Plan is in the public interest, and requests that the Commission grant an Order Nisi approving this Verified Petition.

WHEREFORE, Liberty Utilities respectfully requests that the Commission:

- A. Issue an Order Nisi authorizing the Company to continue to operate the REP/VMP Plan until the Commission has ruled on any proposed REP/VMP Plan in the Company's upcoming distribution rate case, and allowing the continuation of the Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor; and
- B. Such other relief as is just and equitable.

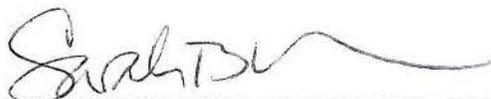
Respectfully submitted,

GRANITE STATE ELECTRIC COMPANY D/B/A
LIBERTY UTILITIES

By its Attorney,

Date: January 30, 2013

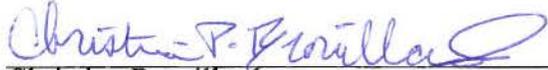
By:



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I, Christian Brouillard, Director of Engineering, Liberty Energy Utilities (New Hampshire) Corp., being first duly sworn, hereby depose and say that I have read the foregoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

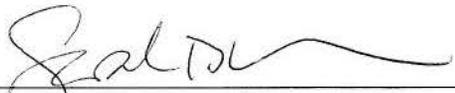
Date: January 30, 2013



Christian Brouillard

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM

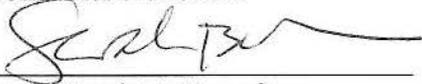
Sworn to and subscribed before me this 30th day of January, 2013.



Justice of the Peace/Notary Public
My Commission Expires **SARAH B. KNOWLTON, Notary Public**
My Commission Expires May 11, 2016

Certificate of Service

I hereby certify that on January 30, 2013, a copy of this Verified Petition has been forwarded to Susan Chamberlin, Esq., Consumer Advocate.



Sarah B. Knowlton