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February 25, 2013

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



**Re: DE 13-048 National Grid d/b/a/ Liberty Utilities
Complaint of Mr. Douglas Graham**

Dear Ms. Howland:

I am writing on behalf of Granite State Electric Company d/b/a Liberty Utilities (the "Company" or "Liberty Utilities") to respond to the complaint submitted by Mr. Graham that has been docketed as DE 13-048. The Company has carefully reviewed Mr. Graham's complaint, which relates to charges billed to him when he requested that the Company remove a pole near his house and bury the lines underground. The essence of Mr. Graham's complaint is that the Company did not charge its actual costs to relocate the equipment. As demonstrated below, the Company has charged its actual costs to conduct the work that Mr. Graham requested.

By way of background, on or around November 22, 2011, Mr. Graham contacted National Grid (the predecessor owner of Granite State) and requested that the Company remove a telephone pole near his house located at 11 Lakeview Drive, West Lebanon, New Hampshire, and run the power line underground to the house. On February 3, 2012, National Grid sent Mr. Graham an estimated work cost breakdown for the project along with a construction contract. The original estimated cost of the project was quoted at \$6,565.73 which initially included the cost for a new transformer. It is our understanding that National Grid subsequently determined that a new transformer was not needed. As a result, National Grid subtracted approximately \$636 from the original quote which brought the estimated cost down to \$5,929.73. Mr. Graham signed the contract for \$5,929.73 and returned it to National Grid. (**Exhibit A**).

On March 2, 2012, Mr. Graham sent a letter to National Grid voicing a grievance over the estimated cost of the project (**Exhibit B**). The Company is unaware of whether National Grid issued a written response to Mr. Graham's March 2 letter. On July 16, 2012, Liberty Utilities was first notified about this matter by Ms. Quint from the Commission, who was assigned to investigate Mr. Graham's complaint. Ms. Quint requested that Liberty Utilities provide a summary of the work completed along with a breakdown of the charges, which the Company

provided to her on July 17, 2012, along with Original Page 11 of the Company tariff referencing Item 24 Relocation of Equipment on Private Property.

On July 27, 2012, Ms. Quint requested a breakdown of the actual cost of the work vs. the estimated figure provided to Mr. Graham. The Company advised Ms. Quint that the actual cost of the job was \$5,653.09 and there was a difference of \$277 (rounded) between this figure and the \$5,929.73 figure quoted in the estimate.

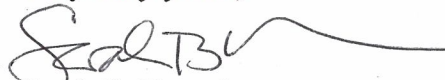
On or around August 14, 2012, Ms. Quint advised the Company that Mr. Graham was going to request an informal hearing at the Commission as he felt National Grid overcharged him significantly for the work they did on his property. In response to Mr. Graham's August 14 letter, the Company contacted National Grid which indicated that it could not accommodate Mr. Graham's request to provide to him information on the labor/wage/hours of the job because its labor rate is an amalgamation of union and contractor wages and is competitively sensitive information that is not publicly available. On September 20, 2012, the Company provided the Commission Staff with a detailed description of the work on Mr. Graham's property, which information is not confidential. (**Exhibit C**). The Company also informed the Staff that it was agreeable to refunding to Mr. Graham the difference between the estimated cost of the job and the actual costs, for a total refund of \$277.00. (**Exhibit C**).

On October 23, 2012, Ms. Quint sent an email to the Company verifying that Mr. Graham wanted to proceed with the refund, and that the Company should issue a check in the amount of \$277.00 to him. (**Exhibit C**). On December 10, 2012, the refund check was sent out to Mr. Graham (**Exhibit D**), and a copy of the correspondence was also emailed to Ms. Noonan and Ms. Quint the same day. On December 15, 2012, Mr. Graham sent an email (**Exhibit E**) advising that he did not agree to a \$277 refund and stated the Company owes him at least \$4,000.

With the \$277.00 refund, Mr. Graham was charged the Company's actual costs to conduct the work, and thus the Company believes that it has addressed the heart of Mr. Graham's complaint. The Company has also provided a detailed accounting of the work that was necessary to complete the job at his property, which should provide sufficient detail to allay any concerns that Mr. Graham has regarding the work that was actually performed.

Thank you for your consideration of our response.

Very truly yours,



Sarah B. Knowlton

Enclosures
cc: Service list