

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

DE 14-211

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

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

ORDER OF NOTICE

On August 1, 2014, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (Liberty or Company) filed a petition for approval of an alternate plan for procurement of energy service requirements for all customer groups (Alternate Plan) in the event of an unsuccessful competitive solicitation for such requirements.

Liberty explained that it currently issues requests for proposals (RFP) to solicit power for customers who have not chosen a competitive electric supplier. *See, e.g.*, Docket No. DE 14-031. Liberty seeks approval of an Alternate Plan because the number of the bidders responding to Liberty's RFP has decreased, and other electric distribution suppliers have also experienced difficulties in securing electric supply through similar competitive bid processes.

In the event that an RFP results in no supplier, Liberty proposes to serve its customers by purchasing energy in the Independent System Operator-New England real-time market and would incur associated capacity and ancillary service costs. Liberty would then set customer rates based on (1) energy price forecasts, (2) an adjustment for future price volatility, (3) the cost of ancillary services based on most recently published data for the New Hampshire load zone, (4) capacity costs based on forward capacity market prices, and (5) adjustment for losses from pooled transmission facilities to the retail customer.

To the extent that purchased power costs differ from energy revenue received from customers, Liberty proposes to reconcile those differences in its next energy service filing instead of waiting until the annual reconciliation. Liberty stated that if the accumulated variance exceeds \$1 million, the Company would file updated energy service rates for the remaining months in the period that would include an incremental reconciliation and adjustment for any significant wholesale market changes. Further, if significant customer migration to competitive suppliers occurs during the period, Liberty proposes a temporary non-by-passable charge applicable only to those distribution customers in a customer group for which the Alternate Plan is implemented. Liberty stated that the Company would likely incur additional financial assurance obligations to the ISO-NE given the increment purchases that would occur under the Alternate Plan, and stands ready to provide such assurance. In addition, the Company said that it is currently staffed to implement the Alternate Plan.

Due to the need to expedite the review of this petition in the event that the contingency occurs, the Commission has established the following procedural schedule for this docket. The schedule conforms to the timing of the Company's next default service solicitation in Docket No. DE 14-030 and the associated filing.

Petitions to Intervene	Filed no later than August 18, 2014
Objections to Interventions	Filed no later than August 22, 2014
Discovery Requests	August 25, 2014
Responses to Discovery Requests	September 5, 2014
Tech Session/Settlement Discussion	September 11, 2014 at 9:00 a.m.
Testimony/Settlement	Filed on September 18, 2014
Hearing on the Merits	September 24, 2014 at 10:30 a.m.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The filing raises, inter alia, issues related to whether the Alternate Plan is consistent with the restructuring principles enumerated in RSA 374-F:3; whether the method by which Liberty proposes to set rates it is just and reasonable pursuant to RSA 378:5 and 7 and consistent with RSA 374-F:3; whether Liberty's proposed method of reconciliation over- and under-collections is in the public interest; and whether it is just and reasonable and consistent with RSA 374-F:3, XII to approve the creation of a non-by-passable charge for purposes of recovery under-collections. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

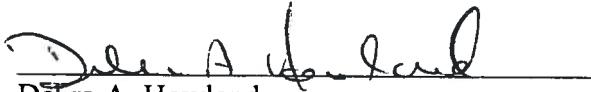
ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on September 24, 2014 at 10:30 p.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than August 14, 2014, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before September 22, 2014; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Liberty and the Office of the Consumer Advocate on or before August 18, 2014, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said
Objection on or before August 22, 2014.

By order of the Public Utilities Commission of New Hampshire this eighth day of
August, 2014.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 14-211-1 Printed: August 08, 2014

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**