

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 13-063

GRANITE STATE ELECTRIC COMPANY D/B/A LIBERTY UTILITIES

Petition for Distribution Rate Adjustments

**Order Suspending Proposed Tariff and Scheduling Prehearing Conference and Temporary
Rate Hearing**

ORDER NO. 25,490

April 11, 2013

On March 29, 2013, Granite State Electric Company d/b/a Liberty Utilities (Liberty or Company) filed a petition for authority to: (1) implement new permanent distribution rates beginning April 29, 2013; (2) replace certain pages of its current tariff, NHPUC No. 17, with proposed revised pages; (3) implement various other tariff changes including a step adjustment to reflect investment in certain additions to rate base in 2013; and (4) set temporary electric distribution service rates at levels set forth in proposed tariff NHPUC No. 18 until the Commission's final determination regarding the Company's permanent rate proposal. Pursuant to RSA 378:8, Liberty's filing includes direct testimony and exhibits in support of the proposed permanent rates, and related supplemental information, including the proposed tariffs, in accordance with N.H. Code Admin. Rules Puc 1600 *et seq.* Liberty also filed a motion requesting waiver of certain requirements of Puc 1600 and a motion for confidential treatment for the amount of compensation paid to Liberty's president and one of its directors.

Liberty's filing proposes revised permanent rates for electric service that would increase the Company's total annual distribution revenues by 18.04%, or \$14,168,940, on a rate base of

approximately \$66.8 million. Liberty stated that as of December 31, 2012, its current actual rate of return on rate base was negative 0.75% and that, unless temporary and permanent rate relief is granted, the Company will not earn a reasonable return on its property used and useful in the public service. According to Liberty, the proposed permanent rates would result in a typical monthly bill increase of 18% for residential customers.

Pursuant to RSA 378:27, Liberty also requested temporary rates to be effective with services rendered on and after July 1, 2013 and to stay in place until the Commission decides the permanent rate case. The temporary rates would increase annual distribution revenues by \$9.2 million and result in an approximate monthly bill increase in the total bill of 11.7% for residential customers and increases ranging from 4.5% to 10.1 % for small commercial customers. The filing states that temporary rates would apply to customers in accordance with the existing rate design and all customer class rates would increase by the same percentage.

With its request for permanent rates, Liberty also requested approval of the following measures: (1) a step increase to recover an annual revenue deficiency of approximately \$1.2 million based on additional capital spending of approximately \$9.2 million for the period ending December 31, 2013; (2) approval of long-term reliability enhancement and vegetation management programs (3) recovery of storm-related pre-staging costs; and (4) changes to certain customer fees, changes to its line extension policy and review of the Company's evaluation of LED street lighting. Docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-063.html>.

Liberty's filing raises, *inter alia*, issues related to whether the proposed temporary and permanent rates are just, reasonable and lawful as required by RSA 378:7, and whether the proposed increases will yield a just and reasonable rate of return on the prudent cost of plant, equipment and capital improvements used and useful in Liberty's provision of service to the public less accrued depreciation, as required by RSA 378:27 and 28. 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 the proposed tariff pages are hereby suspended pursuant to RSA 378:6, I(a), pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that a Prehearing conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on April 24, 2013 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that immediately following the Prehearing Conference, Liberty, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition, allow Liberty to provide any amendments or updates to its filing and develop a procedural schedule for the temporary rates portion of the proceeding; 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 no later than April 17, 2013, in a newspaper with general circulation in those portions of the state in

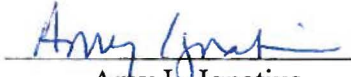
which operations are conducted, publication to be documented by affidavit filed with the Commission on or before April 22, 2013; and it is


FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, 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 April 19, 2013, 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 April 24, 2013; and it is

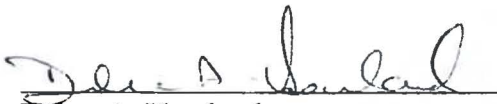
FURTHER ORDERED , that a hearing on temporary rates shall be held before the Commission at 21 South Fruit Street, Suite 10, Concord New Hampshire on June 4, 2013 at 10:00 a.m.

By order of the Public Utilities Commission of New Hampshire this eleventh day of
April, 2013.


Amy L. Ignatius
Chairman


Robert R. Scott
Commissioner

Attested by:


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.