

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 13-253**

**LIBERTY UTILITIES CO., ET AL.**

**Petition for Approval of Proposed Reorganization**

**Order *Nisi* Approving Petition**

**ORDER NO. 25,587**

**October 24, 2013**

On September 10, 2013, EnergyNorth Natural Gas, Inc. (EnergyNorth), Granite State Electric Co. (Granite State), Liberty Energy Utilities (New Hampshire) Corp., d/b/a Liberty Utilities (Liberty NH), Liberty Energy Utilities Co. (Liberty Energy) and Liberty Utilities Co. (LUC) (the Petitioners), filed a petition requesting approval, pursuant to RSA 369:8, II(a) and RSA 374:33, for a non-substantive corporate reorganization to eliminate an unnecessary corporate entity in Liberty NH's chain of ownership, through a merger involving Liberty NH's corporate parents, Liberty Energy and LUC. A letter of participation was filed by the Office of Consumer Advocate (OCA) on September 23, 2013; however, the OCA provided no comment on the petition. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, is posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-253.html>.

As described in the petition, Liberty Energy and LUC have proposed an agreement providing for the merger of Liberty Energy and LUC, with LUC being the surviving entity. The proposed transaction results in a "purely technical" change in ownership of Liberty NH, according to the Petitioners. Liberty NH is the parent company of two regulated New Hampshire

public utilities: EnergyNorth and Granite State. Liberty NH is in turn currently owned directly by Liberty Energy and indirectly by LUC. Following the proposed merger, Liberty Energy will cease to exist and LUC will own Liberty NH directly. There will be no substantive change of control over Liberty NH, EnergyNorth or Granite State as a result of the proposed reorganization. No new buyer or outside entity will be involved in the proposed transaction, and the ultimate ownership and control of Liberty NH will not change. Algonquin Power & Utilities Corp. (Algonquin) will continue to be the ultimate parent of Liberty NH, EnergyNorth and Granite State.

According to the Petitioners, the proposed reorganization will result in a “simplification” of Algonquin's corporate structure without affecting the operations of Liberty NH. The Petitioners maintain that the proposed transaction will (1) reduce corporate governance compliance expenses and filings, (2) eliminate the need for directors for Liberty Energy, and (3) simplify inter-company transactions by eliminating a layer in the upper-level corporate structure. There will be no other effect on Liberty NH, EnergyNorth or Granite State, according to the Petitioners. EnergyNorth and Granite State will continue to operate as separate corporations providing natural gas and electric service in their respective service areas. As a result, the proposed transaction will not affect the rates, terms, service, or operation of either EnergyNorth or Granite State. The proposed reorganization also does not involve the issuance of new equity; rather, as a result of the merger, all of Liberty NH's outstanding stock will be owned by LUC. In addition, the Petitioners represent that neither costs nor debt associated with the proposed reorganization will be passed through to New Hampshire ratepayers.

The Petitioners seek approval of the proposed reorganization under RSA 369:8, II(a) and RSA 374:33, as an indirect transfer of more than 10 percent of the share ownership of EnergyNorth and Granite State, each of which is a New Hampshire public utility under RSA 362:2. The Petitioners assert that no adverse effect on the rates, terms, service or operation of EnergyNorth or Granite State will result from the proposed reorganization, and that this reorganization, by enhancing administrative efficiencies in LUC's operations through elimination of an internal layer of corporate structure, is proper and in the public interest.

On the basis of these representations by the Petitioners, and Staff's review of the petition and related attachments, Staff recommended, in a memorandum filed on October 7, 2013, that the Commission approve the proposed reorganization under RSA 369:8, II(a) and RSA 374:33 by Order *Nisi*.

We have reviewed the petition and Staff's recommendation, and have concluded that the proposed reorganization transaction will have no adverse effect on the rates, terms, service or operation of either EnergyNorth or Granite State, and we also find that the Petitioners' proposal is lawful, proper, and in the public interest. Therefore, we will approve the petition.

**Based upon the foregoing, it is hereby**

**ORDERED *NISI***, that subject to the effective date below, the Petitioners' proposed reorganization, pursuant to RSA 369:8, II(a) and RSA 374:33, is APPROVED; and it is

**FURTHER ORDERED**, that the Petitioners shall cause a summary of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than October

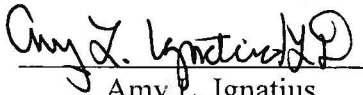
31, 2013 and to be documented by affidavit filed with this office on or before November 5, 2013; and it is

**FURTHER ORDERED**, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than November 4, 2013 for the Commission's consideration; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than November 6, 2013; and it is

**FURTHER ORDERED**, that this Order *Nisi* shall be effective November 8, 2013, unless the Petitioners fail to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

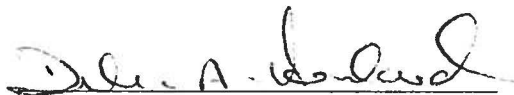
By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of October, 2013.

  
Amy L. Ignatius  
Chairman

  
Michael D. Harrington  
Commissioner

  
Robert R. Scott  
Commissioner

Attested by:

  
Debra A. Howland  
Executive Director