

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

September 27, 2006 - 1:55 p.m.  
Concord, New Hampshire

PUBLIC SECTION

RE: DE 06-115  
GRANITE STATE ELECTRIC COMPANY d/b/a  
NATIONAL GRID: Default Service Request  
for Proposals for the Period November 1, 2006  
through April 30, 2007 and November 1, 2006  
through January 31, 2007.

PRESENT: Chairman Thomas B. Getz, Presiding  
Commissioner Graham J. Morrison  
Commissioner Clifton C. Below

Christine True, Clerk

APPEARANCES: Reptg. Granite State Electric Co. d/b/a  
National Grid:  
Alexandra Blackmore, Esq.  
Donald Pfundstein, Esq.

Reptg. Residential Ratepayers:  
Rorie Hollenberg, Esq.  
Office of Consumer Advocate

Reptg. PUC Staff:  
Suzanne G. Amidon, Esq.

Court Reporter: Steven E. Patnaude, CCR

ORIGINAL





1                   **CMSR. BELOW:** Good afternoon.

2                   **MS. HOLLENBERG:** Good afternoon. Rorie  
3 Hollenberg and Kenneth Traum, here for the Office of  
4 Consumer Advocate.

5                   **CMSR. BELOW:** Good afternoon.

6                   **CHAIRMAN GETZ:** Good afternoon.

7                   **CMSR. MORRISON:** Good afternoon.

8                   **MS. AMIDON:** Good afternoon. Suzanne  
9 Amidon, for the Public Utilities Commission Staff, and  
10 with me is George McCluskey, who is a Utility Analyst in  
11 the Electric Division.

12                   **CHAIRMAN GETZ:** Good afternoon.

13                   **CMSR. MORRISON:** Good afternoon.

14                   **CMSR. BELOW:** Good afternoon.

15                   **CHAIRMAN GETZ:** Are there any procedural  
16 matters to address, before we hear the direct examination  
17 of the Company's witness?

18                   **MS. BLACKMORE:** I'd like to mark for  
19 identification a copy of the Company's September 25th  
20 Default Service filing in this proceeding, which contains  
21 Mr. Warshaw's testimony and accompanying schedules.

22                   **CHAIRMAN GETZ:** We'll mark it for  
23 identification as "Exhibit Number 1".

24                   (The document, as described, was

[Witness: Warshaw]

1 herewith marked as **Exhibit 1** for  
2 identification.)

3 **CHAIRMAN GETZ:** If the reporter can  
4 swear the witness in.

5 (Whereupon **John D. Warshaw** was duly  
6 sworn and cautioned by the Court  
7 Reporter.)

8 **JOHN D. WARSHAW, SWORN**

9 **DIRECT EXAMINATION**

10 BY MS. BLACKMORE:

11 Q Mr. Warshaw, would you please state your name and  
12 business address.

13 A It's John Warshaw, 55 Bearfoot Road, Northborough,  
14 Massachusetts.

15 Q And, what is your position with National Grid?

16 A I am a Principal Analyst for Energy Supply in New  
17 England.

18 Q And, what are your duties and responsibilities in  
19 that position?

20 A I participate in the procurement and energy supply  
21 related activities for power for National Grid's New  
22 England operating companies, including Granite State  
23 Electric Company.

24 Q I'm showing you a copy of Exhibit 1. Can you please

[Witness: Warshaw]

1 describe it?

2 A That is the filing that Granite State made on July  
3 (September?) 25th, 2006, proposing new energy service  
4 rates effective November 1st, 2006.

5 Q And, do you have any corrections to make to your  
6 testimony?

7 A No.

8 Q Do you adopt the testimony and schedules contained in  
9 Exhibit 1 as your own?

10 A Yes.

11 Q Would you please briefly summarize your testimony.

12 A Yes. On August 14th, 2006, National Grid issued an  
13 RFP to procure a supply for both its large and small  
14 energy customers in New Hampshire, as well as for  
15 Default Service customers in Massachusetts and Last  
16 Resort Service customers in Rhode Island. Final bids  
17 were received on September 20th, and National Grid  
18 awarded a supply, each block based on the lowest bid.

19 Q Would you explain why the Company requested approval  
20 to change the date for final bids from September 13th  
21 to September 20th?

22 A Connecticut Light & Power had issued an RFP for bids  
23 for their procurement of Standard Offer and Supplier  
24 of Last Resort Service. And, those final bids were

[Witness: Warshaw]

1 due on the September 12th and 14th. And, National  
2 Grid was concerned that, by having another RFP with  
3 final bids at virtually the same date as ours, it  
4 would force suppliers to prioritize which companies  
5 they would submit bids to. And, as a result, we may  
6 not get as robust a turnout of suppliers willing to  
7 bid on this and also on the Massachusetts and the  
8 Rhode Island blocks.

9 We were also concerned that the market  
10 may not have -- may have some issues with trying to  
11 absorb all of the services that were awarded at that  
12 time from both Connecticut and National Grid. So, as  
13 a result, we elected to move the final bid date by a  
14 week.

15 Q Did the Company solicit bids from suppliers that  
16 contained both pass-through and all inclusive prices  
17 for capacity costs?

18 A Yes. Yes, we did. And, this was as required by the  
19 last order by the Commission. We did request both  
20 pass-through and all inclusive bids in this RFP.  
21 And, we did it not just for New Hampshire, but for --  
22 also in Massachusetts and Rhode Island.

23 Q And, can you explain why the Company selected winning  
24 bidders whose bids contain pass-through capacity

[Witness: Warshaw]

1 costs?

2 A National Grid was concerned that, as a result that  
3 there's still uncertainty regarding the Capacity  
4 Forward Market -- the Forward Capacity Market that is  
5 supposed to go into effect on December 1st. There is  
6 some concern that that implementation date could be  
7 delayed. And, if it was delayed and we had final --  
8 we had contract prices that included that cost, we  
9 would end up having our customers paying for a cost  
10 that our suppliers may not incur. And, as a result,  
11 our customers would be paying a higher price than if  
12 we did the pass-through.

13 Q How will the Company be recovering the pass-through  
14 costs from customers, given the bids that's been  
15 selected with -- the bids that have been selected  
16 with the pass-through prices?

17 A Okay. We put together an analysis of the bids that  
18 we received and determined a proxy for the market  
19 price of capacity over the next six months. And, we  
20 included that proxy in the rates that we filed with  
21 the Commission, with the -- with also the caveat  
22 that, depending upon what the actual costs are for  
23 those -- for that capacity, we would reconcile, we  
24 would do a reconciliation against what -- with our



[Witness: Warshaw]

1 estimate, and we would either refund or charge  
2 customers for whatever the difference is.

3 Q What is the typical bill impact on the residential  
4 customer that will result from the proposed rates?  
5 And, can you also compare that with the previous  
6 Default rates, Default Service rates?

7 A For the Small Customer Group, the previous Default  
8 Service rate was 8.595 cents per kilowatt-hour.  
9 We're proposing a rate of 9.984 cents per  
10 kilowatt-hour. And, that results in about a  
11 ten percent increase on the monthly bill of the  
12 average customer who uses 500 kilowatt-hours.

13 Q Mr. Warshaw, are the proposed Default Service rates  
14 for the Large and Small Customer Group reflective of  
15 current market prices?

16 A Yes. They represent the market prices at the time  
17 that we received our final bids. And, this is  
18 consistent with the estimate that the Company -- that  
19 the Company calculates as part of its RFP process,  
20 and this was also included in my testimony or the  
21 schedules of my testimony.

22 **MS. BLACKMORE:** Thank you. I have no  
23 further questions.

24 **CHAIRMAN GETZ:** Okay. Let me just

[Witness: Warshaw]

1 address, see if we can achieve some uniformity between  
2 cases. And, we marked for identification as "Exhibit 1"  
3 the Company's filing on September 25. But I'm looking at  
4 it, there's two volumes, which are -- does not contain any  
5 confidential information. I also have two volumes that  
6 are duplicative of the filing, but contain confidential  
7 information. What we did in the Unutil case was the  
8 public information we marked for identification as  
9 "Exhibit 1", and the material that contains the  
10 confidential information we marked it as "Exhibit Number  
11 2", with the additional identifier of the letter "C" for  
12 "confidential". So, we will mark for identification the  
13 exhibits as "1" and "2C".

14 (The documents, as described, were  
15 herewith marked as **Exhibits 1** and **2C**,  
16 respectively, for identification.)

17 **MS. BLACKMORE:** Thank you.

18 **CHAIRMAN GETZ:** And, the witness is  
19 available for questions. Ms. Hollenberg?

20 **MS. HOLLENBERG:** Okay. Thank you. Good  
21 afternoon.

22 **THE WITNESS:** Good afternoon.

23 **CROSS-EXAMINATION**

24 **BY MS. HOLLENBERG:**

[Witness: Warshaw]

1 Q You testified on direct about the postponement of the  
2 default supply service solicitation. And, I just was  
3 wondering if you had an opinion about what, if any,  
4 impact the postponement had on the bids received?

5 A The only impact that I would -- that I could talk  
6 about is that there was a -- prices were falling in  
7 the gas and electric market. And, as a result, by  
8 delaying it a week, we feel that the customers did  
9 get a lower price than if we had bids at that date.  
10 And, that is the only difference that I can see.

11 Q Okay. Thank you. And, I believe that, I'm going to  
12 ask this question and give the -- give Grid's counsel  
13 an opportunity to say if they believe this is  
14 confidential. I don't know if this is confidential.  
15 I do know I have a further question, though, that I  
16 would ask to go onto a confidential record. But I'm  
17 curious to know about the -- for the month of  
18 November, December, and January, how the Large and  
19 Small Customer Groups' bids compared?

20 MS. BLACKMORE: I don't believe that  
21 that's confidential.

22 **BY THE WITNESS:**

23 A I can talk of it in generalities, but I can't go into  
24 anything specific. If that's what you're --

[Witness: Warshaw]

1 BY MS. HOLLENBERG:

2 Q For instance, were the Large Customer Group's -- the  
3 Large Customer Group bid, was that higher or lower  
4 than the Small Customer Group bid?

5 A Oh, just for those months?

6 Q Yes, please.

7 A Okay. For, let's see, in general, the bids, for  
8 November through January '07, the bid price -- the  
9 winning bid price was lower for the Small Customer  
10 Group than for the Large Customer Group.

11 Q Thank you. And, do you have a sense of why that is?

12 A Could I -- I'm sorry, I was looking at the wrong  
13 line. I apologize. I just realized -- actually, I  
14 have to reverse myself. The Small Customer Group was  
15 a little -- was just a little bit higher than the  
16 Large Customer Group.

17 Q What page are you looking at?

18 A Oh, I am on Page -- I apologize for that. I'm on  
19 Page Bates stamp "187". And, I was comparing the  
20 winning bids for Block P2 versus the winning bids for  
21 Block B2 -- Q2.

22 **MS. HOLLENBERG:** One moment please.

23 **CHAIRMAN GETZ:** And, that would be

24 Page 187 of the confidential material?

[Witness: Warshaw]

1                   **THE WITNESS:** Yes. I don't know what  
2 page that is of --

3                   **MS. BLACKMORE:** It's Bates stamp  
4 Page 187 of the confidential.

5                   **THE WITNESS:** Yes, it's only in the  
6 confidential.

7                   **MS. HOLLENBERG:** And, I just have one  
8 further subject to question the witness about, but I  
9 believe it should go onto a confidential record, because  
10 it's asking for specifics about the executed Power Supply  
11 Agreement.

12                   **CHAIRMAN GETZ:** Okay. Mr. Patnaude,  
13 please.

14                                   (The following testimony was deemed to  
15 contain **confidential** and **proprietary**  
16 material and therefore **Pages 14 through**  
17 **17** are contained under separate cover so  
18 designated.)

19  
20  
21  
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23  
24

[Witness: Warshaw]

1                   **(Hearing resumes on the public portion**  
2                   **of the record.)**

3                   **CHAIRMAN GETZ:** We're back on the public  
4 record.

5 BY MS. HOLLENBERG:

6       Q       I just have -- I want to follow up on a response that  
7               you had to my question about the winning bids for  
8               November, December, and January earlier, when I asked  
9               you to compare the bids for the Large and Small  
10              Customer Groups. And, your response was that "The  
11              winning bids were a little bit higher for the Small  
12              Customer Group, as compared with the Large Customer  
13              Group." What I'd like you -- What I'd like to have  
14              help understanding, I guess, is, in your testimony,  
15              at Page 9 of 12, so it's 11 in -- Page 11 in Volume  
16              1.

17       A       Page what?

18       Q       It's total Page 11. It's at the bottom, Page 11.  
19               But it's really -- of Volume 1, but it's really  
20               Page 9 of 12 of your testimony.

21       A       Oh, I've got it.

22       Q       Okay. There's a chart depicted. And, it appears  
23               that, for each month, November 2006, December 2006,  
24               and January 2007, the Large Customer Group commodity

[Witness: Warshaw]

1 costs per kilowatt-hour, which appears in line -- in  
2 the column, I guess it's the second column after the  
3 "month" column, appear to be larger than the Small  
4 Customer Group commodity costs per kilowatt-hour,  
5 which appear in the fourth column for those three  
6 months. Would you agree with that?

7 A Yes.

8 Q Now, why the difference?

9 A One, you're going to hate me, but the answer that I  
10 gave --

11 Q Did you change your mind again?

12 A The answer that I gave you before, and we can stay in  
13 the public, was incorrect. Actually, the bids that  
14 we received for the Large Customer Group were higher  
15 than the bids we received for the Small Customer  
16 Group. Small type and --

17 Q Thank you. And, I don't hate you.

18 A And, that's why the pricing for the Large Customer  
19 Group is higher than for the Small Customer Group in  
20 those months.

21 **MS. HOLLENBERG:** Thank you. We don't  
22 have any further questions. Thank you.

23 **CHAIRMAN GETZ:** Ms. Amidon.

24 **MS. AMIDON:** Thank you.

[Witness: Warshaw]

1 BY MS. AMIDON:

2 Q Have you made any educated guess about what the  
3 chances are that the Forward Capacity Market will not  
4 go forward on December 1, as in the Settlement  
5 Agreement with FERC?

6 A I think, well, the general consensus is that the  
7 Forward Capacity Market will go into effect on  
8 December 1st, as approved by the FERC. There are  
9 enough parties out there that are not happy with that  
10 Settlement Agreement and not happy with that market,  
11 that there's a possibility that they could exercise  
12 whatever options they have that could end up in  
13 delaying that market past the December 1st  
14 implementation date. And, that's the concern that we  
15 have, that they could be -- they could delay that.

16 Q Greater than zero?

17 A It's definitely greater than zero, but it's not --  
18 it's much less than 50/50. But exactly what that  
19 potential is, I don't know.

20 Q Did you, in soliciting for your supply for your  
21 affiliates, did you take the same approach in  
22 selecting bidders that offered energy-only costs and  
23 decided to pass through capacity costs for the other  
24 affiliates' supply as well?



[Witness: Warsaw]

1 A Yes. For all of -- For our other two affiliates, we  
2 did do, again, the pass-through costs for -- the  
3 pass-through bids for all costs, except capacity. I  
4 miss -- I mean, pass-through of capacity only, the  
5 rest of the costs are included in the bids.

6 Q If the Forward Capacity Market is delayed, what has  
7 the Company determined to be the range of capacity  
8 costs that will be charged during that -- during the  
9 period of time before the Forward Capacity Market is  
10 implemented?

11 A Well, what we propose is that, if the capacity market  
12 -- Forward Capacity Market is delayed past  
13 December 1st, we do have a proxy for the current  
14 market price for those capacity costs. If the actual  
15 costs come in lower than what we used as our proxy,  
16 we would reconcile that at our next reconciliation,  
17 and those additional costs -- those additional  
18 revenues that we received from customers would be  
19 returned to them through the reconciliation process.

20 Q Let me rephrase my question. Do you expect that,  
21 absent the Forward Capacity Market going in, that  
22 those transition -- that those costs for November,  
23 December, and January will be lower than the \$3.05  
24 established by the FERC settlement?

[Witness: Warshaw]

1 A Well, November will definitely be lower, --

2 Q Okay.

3 A -- because that's in the existing capacity market.  
4 But, going forward, from December 1st on, at this  
5 point, we don't see prices being any lower than that.

6 Q Any lower than?

7 A The \$3.05 per kilowatt-month.

8 BY MR. McCLUSKEY:

9 Q If I could just jump in here. When you say the  
10 "actual capacity prices will not be lower than  
11 \$3.05", are you assuming that the Forward Capacity  
12 Market is in effect at that point?

13 A December 1st, yes.

14 Q Okay. Our question, though, is, if the Forward  
15 Capacity Market is delayed, what's your expectation  
16 about the level of capacity prices in those months,  
17 in those delayed months? Do you expect them to be  
18 higher than 3.05 or lower than 3.05?

19 A I expect them to be lower than 3.05.

20 Q Okay. If the Forward Capacity Market goes into  
21 effect on December 1, and the Company is passing  
22 through capacity costs, is there any prospect that  
23 the actual capacity prices that you will be seeking  
24 recovery of will be above 3.05?

[Witness: Warshaw]

1 A The price would not be above 3.05. But what would be  
2 above is the amount of obligation that the Company --  
3 that the supplier and as a result the Company, would  
4 incur in that market.

5 Q Okay. And, again, under the delay scenario, is there  
6 any prospect in your mind that the capacity prices  
7 will be actually higher than \$3.05?

8 A No.

9 Q And, what's the basis of that?

10 A Because the way the market is set up, the -- all  
11 suppliers will be paid the transition payment from,  
12 of \$3.05, from December 1st, '06 through I think it's  
13 -- I think it's April 30th or May 30th of '08.  
14 They're being paid a flat capacity cost.

15 Q Under the Forward Capacity Market?

16 A Under the Forward Capacity Market.

17 Q My question was, if the Forward Capacity Market is  
18 delayed, is there any potential for the actual  
19 capacity prices, in those months that the capacity  
20 market is delayed, for the prices to exceed \$3.05?

21 A There is some risk.

22 Q Okay. So, it's -- So, the pass-through proposal is  
23 not a guarantee win situation for the Company or, put  
24 it another way, it's not a -- there's no potential of

[Witness: Warshaw]

1 a loss for customers?

2 A There is a potential for loss, but it's very small,  
3 because looking at the historic capacity market, the  
4 prices have, in general, not approached even that  
5 \$3.05 mark, except maybe once or I think only a  
6 couple of times in a month. So, we would not expect  
7 that cost to -- there's a low probability that that  
8 cost could exceed the \$3.05.

9 **MR. McCLUSKEY:** Okay. That's it.

10 BY MS. AMIDON:

11 Q I'm looking at I guess it's 2C, Volume 1, at Page  
12 187. And, you have -- there's a Block P2, which is  
13 "New Hampshire Large Default Without Capacity", and  
14 then two blocks down it's Block Q2, which is the "New  
15 Hampshire Small Default Without Capacity". So, the  
16 prices of the winning bidder for Block P2 is Bidder  
17 H, is that correct?

18 A Yes.

19 Q And, that is Sempra?

20 A Yes.

21 Q And, the winner of the Block Q2 is Bidder A?

22 A Correct.

23 Q And, that's TransCanada?

24 A Yes.

[Witness: Warsaw]

1 Q Okay. So, these are the wholesale prices?

2 A (Nodding affirmatively).

3 Q And, if you move to your testimony at Page 11, it's a  
4 chart that Ms. Hollenberg referred to. It has -- The  
5 headings on this chart are "Month", "Large Customer  
6 Group Commodity Costs", then "Large Customer Group  
7 Proposed Retail Rate", and the same two categories  
8 for the Small Customer Group. So, if we look at the  
9 Large Customer Group rate, this is the retail rate.  
10 So, do these prices contain the wholesale power costs  
11 we saw on Page 187?

12 A Yes.

13 Q And, does it include losses?

14 A Yes.

15 Q And, is the capacity cost estimate in this amount as  
16 well?

17 A Yes.

18 Q Okay. And, you actually have, in your -- an  
19 attachment to your testimony in JDW-2, in the  
20 confidential, it's the same book that we're in right  
21 now, you have actually, at Attachment 8, on Page 183  
22 of the Bates stamp, demonstrated how you calculated  
23 the value of capacity costs for each of the  
24 affiliates for National Grid, is that correct?

[Witness: Warshaw]

1 A Correct.

2 Q And, then, on Page 195, Attachment 14. And, if you  
3 have to -- you have to go down to look at the New  
4 Hampshire average on that, but this contains the  
5 implied final bid value of capacity costs for the  
6 blocks of service that -- where the suppliers  
7 included capacity, is that correct?

8 A Correct.

9 Q Okay. So, basically, this is how you derived your  
10 estimate of what would be an appropriate capacity  
11 cost for the months from December forward, is that  
12 correct?

13 A Actually, it's for November forward.

14 Q Okay. Thank you. Thank you for that correction.  
15 Okay. I just wanted to, for the purposes of allowing  
16 the Commission to see where those calculations were  
17 in your testimony. Other than -- Are you required to  
18 provide any parent guarantee and a certain sum of  
19 money for any of your Default Service contracts?

20 A No.

21 Q And, why is that, do you think?

22 A Well, are you --

23 Q I'm talking about a dollar value of security.

24 A Okay.

[Witness: Warshaw]

1 Q For example, do you have to provide --

2 A Because of the way we wrote the credit language, we  
3 meet the credit requirements of the contract. So,  
4 Granite State does not have to provide either a  
5 guarantee or a letter of credit at this time.

6 Q And, that's basically for the Default Service  
7 contracts to date that has been the case, is that  
8 correct?

9 A Yes. That is correct.

10 Q And, the final thing is, for the Small Customer  
11 Group, you buy the whole requirements for six months  
12 at one time, is that correct?

13 A Yes.

14 Q And, you don't -- the price impact, have you been  
15 concerned about the price impact that the price  
16 changes from every six-month period one to another?

17 A We're always concerned of the price impact to  
18 customers. But, by doing -- But, by having a price  
19 every six months, it keeps the pricing relatively  
20 close to the market price for electric supplies,  
21 allowing competitive suppliers to compete against the  
22 Company and be able to secure customers.

23 **MS. AMIDON:** One moment, Mr. Chairman.

24 I had a question and it left my brain.

[Witness: Warshaw]

1 (Short pause.)

2 BY MS. AMIDON:

3 Q Oh, the one final question, and I was able to do some  
4 information retrieval here, how did the final bids  
5 compare with the indicative bids, in terms of what  
6 you anticipated would be a final rate impact?

7 A Well, the final bids were lower than the indicative  
8 bids, because of the falling marketplace. As far as  
9 rate impact, I didn't calculate a specific -- I mean,  
10 I'd have to look through the filing.

11 Q Okay. All right. Yes, you would probably have done  
12 it at that point. And, why do you think that the  
13 final bids were lower?

14 A Both gas prices and the forward price for electricity  
15 was down over that two-week period, had gone down  
16 over that two-week period. And, as a result, the bid  
17 prices that we received were consistent with that  
18 reduction.

19 MS. AMIDON: Okay. That's all I have.  
20 Thank you very much.

21 CMSR. BELOW: I think my questions get  
22 into the confidential material.

23 (The following testimony was deemed to  
24 contain **confidential** material and so



[Witness: Warsaw]

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**Pages 30 through 37** are contained under  
separate cover so designated.)

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{DE 06-115} (09-27-06)

[Witness: Warshaw]

1                   **(Hearing resumes on the public portion**  
2                   **of the record.)**

3 BY CMSR. BELOW:

4       Q       My question is, do you know if the bid for  
5               Connecticut Light & Power that was conducted before  
6               this one, if the bidders knew who had won that bid  
7               before they had to submit bids in this RFP?

8       A       I don't know if Connecticut Light & Power released to  
9               the general public who the winning bidders were. But  
10              I would guess that the winning bidders knew who they  
11              were shortly after their solicitation was over.

12      Q       Just because typically they know within a few days?

13      A       Most bidders know the same day that they bid.

14                   **CMSR. BELOW:** Okay. Thank you.

15                   **CHAIRMAN GETZ:** Any redirect,  
16       Ms. Blackmore?

17                   **MS. BLACKMORE:** I have nothing further.

18                   **CHAIRMAN GETZ:** Okay. Then, the witness  
19       is excused. Thank you. Ms. Hollenberg, are you offering  
20       a witness this afternoon?

21                   **MS. HOLLENBERG:** No thank you.

22                   **MS. AMIDON:** No.

23                   **CHAIRMAN GETZ:** Well, then, is there any  
24       objection to striking identification and entering exhibits

1 as full exhibits?

2 **MS. HOLLENBERG:** No.

3 **CHAIRMAN GETZ:** Hearing no objection,  
4 they will be entered as full exhibits. Is there anything  
5 else we need to address before providing the opportunity  
6 for closing statements?

7 (No verbal response)

8 **CHAIRMAN GETZ:** Hearing nothing,  
9 Ms. Hollenberg.

10 **MS. HOLLENBERG:** The Office of Consumer  
11 Advocate does not object to the petition that is before  
12 you for review. Thank you.

13 **CHAIRMAN GETZ:** Okay. Ms. Amidon?

14 **MS. AMIDON:** Staff believes that Granite  
15 State conducted the RFP solicitation process in  
16 conformance with the Settlement Agreement it reached with  
17 the staff and the OCA, which was approved by the  
18 Commission. That it selected the suppliers based on  
19 qualitative and quantitative aspects in their responses,  
20 and that the resulting bids and the rates are  
21 market-based. So, we would support the petition.

22 **CHAIRMAN GETZ:** Thank you.

23 Ms. Blackmore.

24 **MS. BLACKMORE:** National Grid is

1 respectfully requesting that the Commission issue an order  
2 approving the proposed Default Service rates no later than  
3 September 29th, so that the rates can become effective for  
4 usage on and after November 1st, 2006. Thank you.

5 **CHAIRMAN GETZ:** Okay. Thank you. We'll  
6 close this hearing and take the matter under advisement.

7 **(Whereupon the hearing ended at 2:46**  
8 **p.m.)**

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