

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

September 23, 2010 - 1:40 p.m.
Concord, New Hampshire

NHPUC OCT26'10 PM 1:12

RE: DE 10-020
GRANITE STATE ELECTRIC COMPANY
d/b/a NATIONAL GRID:
Default Service for the Period November 1,
2010 through January 31, 2011 for the Large
Customer Group, and November 1, 2010 through
April 30, 2011 for the Residential and Small
Commercial Customer Group.

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius

Sandy Deno, Clerk

APPEARANCES: Reptg. Granite State Electric Company
d/b/a National Grid:
Sarah B. Knowlton, Esq. (McLane, Graf...)
Jinjua Pak, Esq. (McLane, Graf...)

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

Court Reporter: Steven E. Patnaude, LCR No. 52

ORIGINAL

I N D E X

PAGE NO.

WITNESS: MARGARET M. JANZEN

Direct examination by Ms. Knowlton 4

Cross-examination by Ms. Amidon 7

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E X H I B I T S

EXHIBIT NO. DESCRIPTION PAGE NO.

12 Default Service Filing for the 5
Period Beginning November 1, 2010
[REDACTED VERSION] (09-20-10)

13 Default Service Filing for the 5
Period Beginning November 1, 2010
{CONFIDENTIAL VERSION} (09-20-10)

* * *

CLOSING STATEMENTS BY: PAGE NO.

Ms. Amidon 11

Ms. Knowlton 11

1 P R O C E E D I N G

2 CHAIRMAN GETZ: Okay. Good afternoon,
3 everyone. We'll open the hearing in Docket DE 10-020. On
4 September 20, 2010, Granite State Electric Company filed
5 proposed Default Service rates for its Large and Medium
6 C&I Customer Group for the period November 1, 2010 through
7 January 31, 2011, and for the Residential and Small
8 Commercial Group for the period November 1, 2010 through
9 April 30, 2011. A secretarial letter was issued on
10 September 21 setting the hearing for this afternoon.

11 Can we take appearances please.

12 MS. KNOWLTON: Good afternoon,
13 Commissioners. My name is Sarah Knowlton. I'm with the
14 McLane law firm. I'm here today for Granite State
15 Electric Company, d/b/a National Grid. And, with me today
16 from the Company is the Company's witness, Margaret
17 Janzen, and behind me is James Ruebenacker and Kristin
18 Mahnke from the Company, and my colleague, Jinjua Pak,
19 from McLane law firm.

20 CHAIRMAN GETZ: Good afternoon.

21 MS. AMIDON: Good afternoon. Suzanne
22 Amidon, for Commission Staff. Today, I have Grant
23 Siwinski, who is an analyst with the Electric Division,
24 with me.

[WITNESS: Janzen]

1 CHAIRMAN GETZ: Good afternoon. Are you
2 ready to proceed, Ms. Knowlton?

3 MS. KNOWLTON: We are. Thank you. The
4 Company calls Margaret Janzen.

5 (Whereupon **Margaret M. Janzen** was duly
6 sworn and cautioned by the Court
7 Reporter.)

8 MS. KNOWLTON: May I proceed?

9 CHAIRMAN GETZ: Please.

10 MS. KNOWLTON: Good afternoon, Ms.
11 Janzen.

12 WITNESS JANZEN: Good afternoon.

13 **MARGARET M. JANZEN, SWORN**

14 **DIRECT EXAMINATION**

15 BY MS. KNOWLTON:

16 Q. Would you please state your full name for the record.

17 A. My name is Margaret Janzen.

18 Q. By whom are you employed?

19 A. National Grid.

20 Q. And, what is your position with National Grid?

21 A. I'm the Director of Electric Supply and Distributed
22 Generation.

23 Q. What do your job responsibilities include?

24 A. My job responsibilities include the procurement of

{DE 10-020} {09-23-10}

[WITNESS: Janzen]

1 electric supply for Granite State and other U.S. --
2 utilities of National Grid, as well as interconnections
3 of distributed generation.

4 MS. KNOWLTON: Before I proceed any
5 further, actually, I should have asked to have the
6 Company's filings marked for identification. There are
7 two volumes. One is a blue volume, which is the public
8 redacted version, dated September 20th, 2010. I would ask
9 that that be marked for identification as "Exhibit 1".

10 MS. DENO: No.

11 MS. KNOWLTON: No, I'm sorry.

12 MS. DENO: It's going to be "12".

13 Sorry.

14 MS. KNOWLTON: Twelve. Thank you.

15 CHAIRMAN GETZ: So marked.

16 (The document, as described, was
17 herewith marked as **Exhibit 12** for
18 identification.)

19 MS. KNOWLTON: And, the confidential
20 version, which has a red cover, as "Exhibit 13".

21 CHAIRMAN GETZ: So marked.

22 (The document, as described, was
23 herewith marked as **Exhibit 13** for
24 identification.)

{DE 10-020} {09-23-10}

[WITNESS: Janzen]

1 MS. KNOWLTON: And, I will provide the
2 Clerk with a copy at the conclusion of the hearing, if
3 that's okay. And, I assume that the Commissioners have
4 copies?

5 CHAIRMAN GETZ: Yes.

6 MS. KNOWLTON: Thank you.

7 BY MS. KNOWLTON:

8 Q. Ms. Janzen, I'm going to ask whether you have before
9 you what's been marked for identification as Exhibits
10 "12" and "13"?

11 A. Yes, I have those.

12 Q. Okay. And, are you familiar with these documents?

13 A. Yes, I am.

14 Q. And, would you just identify for the record what
15 Exhibit 12 is.

16 A. Exhibit 12 is the testimony and schedules associated
17 with this filing, the rate filing.

18 Q. Okay. And, what is Exhibit 13?

19 A. And, 13 is the confidential copy of that same exhibit.

20 Q. And, both of these volumes contain your prefiled direct
21 testimony, is that correct?

22 A. That is correct.

23 Q. And, if I were to -- well, first of all, was that
24 testimony prepared by you or under your direction?

{DE 10-020} {09-23-10}

[WITNESS: Janzen]

1 A. It is prepared under my direction.

2 Q. Do you have any corrections to your testimony today?

3 A. I do not.

4 Q. If I were to ask you the questions that are contained
5 in your testimony, would your answers still be the
6 same?

7 A. Yes.

8 MS. KNOWLTON: Thank you. I have
9 nothing further for the witness. She's available for
10 cross-examination.

11 CHAIRMAN GETZ: Thank you. Ms. Amidon.

12 MS. AMIDON: Thank you. Good afternoon.

13 WITNESS JANZEN: Good afternoon.

14 **CROSS-EXAMINATION**

15 BY MS. AMIDON:

16 Q. In reviewing your testimony, I see that the Company has
17 estimated a price for the RECs that it needs to acquire
18 to comply with the Renewable Portfolio Standard in New
19 Hampshire. On what basis did the Company estimate the
20 cost of the RECs for purposes of calculating the RPS
21 adder?

22 A. The Company has available, has access to market-based
23 broker sheets with pricing for the different classes.
24 And, that's the basis for the market prices as shown in

{DE 10-020} {09-23-10}

1 the filing.

2 Q. Okay. Thank you. On Page 7 of your testimony, you
3 indicate that the Default Service rates are "consistent
4 with least cost resource planning". Could you just
5 briefly explain your answer.

6 A. Yes. The Default Service procurement process is run in
7 a manner that's consistent with the least cost planning
8 principles, in that every part of the process has been
9 reviewed and is conducted in a manner that we're
10 conducting in the least cost and trying to procure the
11 best pricing for the ratepayers.

12 Q. And, in fact, the original settlement agreement that
13 established this whole process was agreed to by Staff
14 and the Office of Consumer Advocate, if I remember
15 correctly?

16 A. Yes.

17 Q. Thank you. In the contracts with your suppliers in
18 this filing, are there any changes to the contract
19 provisions which would shift responsibilities from the
20 supplier to the Company?

21 A. No, there are none.

22 Q. Are there any new requirements resulting from ISO
23 market rules or rulings?

24 A. No, there were no changes.

[WITNESS: Janzen]

1 Q. Okay. One of the ongoing issues that we've talked
2 about in this docket is the Tewksbury meter. And, the
3 Company has been filing quarterly reports, and the next
4 one would be due at the end of this month, is that
5 correct?

6 A. Yes, that's correct. By the end of September, the
7 Company will be filing that report.

8 Q. Aside from what you had in your testimony, is there any
9 new updates? I believe it's on -- I don't have a Bates
10 stamp, but it's Page 16 of your testimony, if you look
11 at the top of the page.

12 A. Yes. The Company, at this point, has nothing
13 additional to add to that. More detail would be added
14 to that report at the end of September.

15 Q. Okay. Finally, I wanted to ask a question regarding
16 the quarterly Customer Migration Report, which is it
17 looks like "MMJ-11", that schedule in your testimony,
18 Exhibit 12. And, this just has three months of
19 reporting on the customer migration, is that correct?

20 A. That is correct.

21 Q. Now, have you taken the time to look at, say, the prior
22 quarter to determine if there's any trend or is there
23 -- or is your view that there has been no change to the
24 relative rate of customers who are seeking competitive

{DE 10-020} {09-23-10}

[WITNESS: Janzen]

1 service supplies?

2 A. It's my understanding that the quarter previous to this
3 was very similar to this quarter. So, it has been
4 rather level, in terms of competitive supplies.

5 MS. AMIDON: All right. Thank you.

6 Thank you, Mr. Chairman. We have no further questions for
7 the witness.

8 CHAIRMAN GETZ: Okay. Thank you. And,
9 no questions from the Bench. Anything further,
10 Ms. Knowlton?

11 MS. KNOWLTON: I have nothing further
12 for the witness. The Company did file a Motion for
13 Protective Treatment associated with various aspects of
14 its filing that are confidential, the bid results,
15 information regarding the RPS adder.

16 CHAIRMAN GETZ: And, that was consistent
17 with the treatment that's been received in previous
18 proceedings?

19 MS. KNOWLTON: That's correct.

20 CHAIRMAN GETZ: Okay. All right. Well,
21 we'll take that under advisement with the subject matter
22 of the filing today. But, it doesn't appear to be
23 anything further for the witness, so, you're excused.
24 Thank you.

{DE 10-020} {09-23-10}

1 Is there an objection to striking
2 identifications?

3 (No verbal response)

4 CHAIRMAN GETZ: Hearing no objection,
5 we'll admit the exhibits into evidence. Is there anything
6 else we need to do before opportunity for closings?

7 (No verbal response)

8 CHAIRMAN GETZ: Hearing nothing, then,
9 Ms. Amidon.

10 MS. AMIDON: Thank you, Mr. Chairman.
11 Staff has reviewed the filing and has determined that the
12 Company complied with the Settlement Agreement approved by
13 the Commission regarding the solicitation for Default
14 Service and the bid evaluation. And, we believe that the
15 selection of the winning bidders was appropriate and that
16 the resulting rates are market-based. And, therefore, we
17 would recommend that the Commission approve the petition.

18 CHAIRMAN GETZ: Thank you.
19 Ms. Knowlton.

20 MS. KNOWLTON: Thank you. As the
21 testimony and accompanying schedules that have been filed
22 indicate, there was a robust bidding process that was --
23 that resulted in the rates that are before the Commission
24 today. That process was conducted consistent with the

1 Commission's prior orders and the Settlement Agreement.

2 Because the Company has complied with
3 those requirements and in putting the Default Service out
4 to bid, we believe that the bid prices that were
5 ultimately received, and the winning bidders' prices
6 reflect market conditions, and are therefore appropriate
7 to be approved and would ask that the Commission do so.

8 CHAIRMAN GETZ: All right. Then, we
9 will close this hearing and take the matter under
10 advisement. Thank you.

11 (Whereupon the hearing ended at 1:50
12 p.m.)