

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

December 15, 2011 - 1:35 p.m.
Concord, New Hampshire

NHPUC JAN23/12 PM 3:19

RE: DE 11-016
GRANITE STATE ELECTRIC COMPANY
d/b/a NATIONAL GRID:
*Default Service for the Period
February 1, 2012 through
April 30, 2012 for the Large
Customer Group.*

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

Sandy Deno, Clerk

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

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Grant Siwinski, Electric Division

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

ORIGINAL

I N D E X

PAGE NO.

WITNESS: MARGARET M. JANZEN

Direct examination by Ms. Pak 5

Cross-examination by Ms. Amidon 6

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E X H I B I T S

EXHIBIT NO. DESCRIPTION PAGE NO.

10 Default Service filing for the 4
Period Beginning February 1, 2012,
including Testimony & Schedules
of Margaret M. Janzen (12-13-11)
[*Redacted for public use*]

11 *Confidential version* of the 4
Default Service filing for the
Period Beginning February 1, 2012,
including the Testimony & Schedules
of Margaret M. Janzen (12-13-11)
{**CONFIDENTIAL & PROPRIETARY**}

* * *

CLOSING STATEMENTS BY: PAGE NO.

Ms. Amidon 11

Ms. Pak 12

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 11-016. On
4 December 13, 2011, National Grid filed proposed Default
5 Service rates for its Large and Medium
6 Commercial/Industrial Customer Group for the period
7 beginning February 1, 2012 through April 30, 2012.
8 Secretarial letter was issued on December 14 setting the
9 hearing for this afternoon.

10 So, can we take appearances please.

11 MS. PAK: Good afternoon, Commissioners.
12 Jinjue Pak, of the McLane law firm, on behalf of Granite
13 State Electric Company, doing business as National Grid.
14 With me today from the Company are the Company's witness,
15 Margaret Janzen, and James Ruebenacker. Also with me
16 today, from Liberty Energy Utilities, ChristiAne Mason,
17 Chico DaFonte, and John Warshaw.

18 CHAIRMAN GETZ: Good afternoon.

19 MS. AMIDON: Good afternoon. Suzanne
20 Amidon, for Commission Staff. With me today is Grant
21 Siwinski, an Analyst with the Electric Division.

22 CHAIRMAN GETZ: Good afternoon.

23 MS. AMIDON: Thank you.

24 CHAIRMAN GETZ: Are you ready to

1 proceed, Ms. Pak?

2 MS. PAK: I am. As a preliminary
3 matter, the Company proposes to mark for identification
4 its redacted Default Service filing, dated December 13th,
5 2011, as "Exhibit 10".

6 CHAIRMAN GETZ: So marked.

7 (The document, as described, was
8 herewith marked as **Exhibit 10** for
9 identification.)

10 MS. PAK: And, its confidential version
11 of the filing as "Exhibit 11".

12 CHAIRMAN GETZ: So marked.

13 (The document, as described, was
14 herewith marked as **Exhibit 11** for
15 identification.)

16 MS. PAK: I would also like to note that
17 the Company filed a Motion for Protective Order and
18 Confidential Treatment regarding its confidential filing.
19 The Company calls Ms. Janzen to the stand.

20 (Whereupon **Margaret M. Janzen** was duly
21 sworn by the Court Reporter.)

22 **MARGARET M. JANZEN, SWORN**

23 **DIRECT EXAMINATION**

24 BY MS. PAK:

[WITNESS: Janzen]

1 Q. Can you please state your full name for the record?

2 A. Yes. My name is Margaret Janzen.

3 Q. Okay. By whom are you employed?

4 A. I'm employed by National Grid.

5 Q. What is your position at National Grid?

6 A. I'm Director of Wholesale Electric Supply.

7 Q. What do your job responsibilities include?

8 A. I oversee the procurement of all the U.S. utilities'
9 procurement of Default Service for combining customers
10 from National Grid.

11 Q. How long have you held that position?

12 A. I've had that since March 2011.

13 Q. Thank you, Ms. Janzen. Do you have before you what has
14 been marked -- what have been marked as "Exhibits 10"
15 and "11"?

16 A. Yes, I do.

17 Q. Are you familiar with these exhibits?

18 A. Yes.

19 Q. Were these exhibits prepared by you or under your
20 direction?

21 A. Yes, they were.

22 Q. Do you have any corrections?

23 A. I do not.

24 Q. Okay. If I were to ask you the questions contained in

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[WITNESS: Janzen]

1 the exhibits today, would your answers be the same?

2 A. Yes, they would.

3 Q. Okay. And, Ms. Janzen, can you please state the
4 difference in the load-weighted average for default
5 costs -- Default Service costs for the Large Customer
6 Group with this period compared to the prior period?

7 A. The differences for, in terms of an illustrative bill
8 impact, for the three-month period ending April 2012,
9 as compared to the three-month period ending
10 January 2012, ranges of between a 10 and a half and 12
11 and a half percent decrease.

12 MS. PAK: Thank you. The witness is
13 available for cross-examination.

14 CHAIRMAN GETZ: Ms. Amidon.

15 MS. AMIDON: Thank you. Good afternoon.

16 WITNESS JANZEN: Good afternoon.

17 **CROSS-EXAMINATION**

18 BY MS. AMIDON:

19 Q. Ms. Janzen, as I understand it from your filing, the
20 Company followed the customary practice when it issued
21 the bids for the Large Customer service block for this
22 three-month period in this filing, as it has in prior
23 filings, is that correct?

24 A. That is correct.

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[WITNESS: Janzen]

1 Q. Pursuant to the Settlement Agreement that was reached
2 with the Staff in one of the prior Default Service
3 dockets, the Company agreed that, when it would -- when
4 it solicited for power supply for the New Hampshire
5 block, that at the same time it would solicit RPS
6 compliance, an adder, if you will, with that supply, is
7 that correct?

8 A. That is correct.

9 Q. And, the Company did that in this particular RFP, did
10 it not?

11 A. Yes, it did.

12 Q. According to your testimony, and I believe it's at
13 Bates stamp 10, you indicate that the Company actually
14 accepted the bid in this instance, I believe begins
15 with the questions at Line 19, and the Company, in
16 fact, accepted the winning bid for the power supply for
17 RPS compliance as well, is that right?

18 A. That is correct.

19 Q. Would you explain what it is that the Company purchases
20 with this additional adder for the Large Customer
21 Group, in terms of the RPS compliance?

22 A. For the RPS adder, the winning supplier assumes all the
23 RPS obligations. So, for each of the classes under the
24 RPS, each of the obligations, the supplier is agreeing

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[WITNESS: Janzen]

1 to fulfill that obligation in its entirety, for each
2 megawatt-hour that it is supplying for Default Service.
3 So that the RPS, in a sense, matches up with the
4 Default Service that it's providing.

5 Q. And, so, in other words, on the supplier for the period
6 February 1 through, is it April 30th, is procuring the
7 RECs required by New Hampshire law associated with the
8 amount of load it actually serves, is that correct?

9 A. Exactly. Yes.

10 Q. And, the Company benefits from that, obviously?

11 A. (Witness nodding in the affirmative).

12 Q. In other words, the Company meets its RPS requirements
13 with the work, if you will, of the wholesale supplier?

14 A. That's true. The obligation is met in its exact -- at
15 the exact RPS level, yes.

16 Q. And, without looking at Exhibit 11, the confidential
17 material, if we look at Page 69, I just want to
18 understand, I don't need to go into the numbers in this
19 exhibit, but it does say "New Hampshire RPS cost adder
20 calculation". What I understand this exhibit to be,
21 and please correct me if I'm wrong, is the Company's
22 analysis of the cost of complying with the RPS
23 requirements of the New Hampshire law, and that is --
24 this is the calculation that's used to evaluate the

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[WITNESS: Janzen]

1 bidders' RPS adder, is that fair to say?

2 A. Yes. That is correct. The Company will establish what
3 the market is for each of those classes, based on the
4 best information we have to establish what would be
5 considered competitive, so we can make that
6 determination on any bidder that chooses to offer a RPS
7 bid.

8 Q. Okay. Thank you. Now, also looking at Exhibit 11,
9 which is the confidential exhibit, at Page 63, and I'm
10 just referring to this for the Commissioners'
11 information. If the Commission looks at this exhibit
12 and looks at the entries in the fields going down, it
13 can determine the number of bidders who responded to
14 the RFP for the New Hampshire block, is that correct?

15 A. Yes. That is correct.

16 Q. Okay. Thank you. And, finally, I don't have a lot for
17 you today. I'm sure you're disappointed. But just the
18 Company in this filing, as it has in the prior filings,
19 filed the Customer Migration Report for the quarter, is
20 that right?

21 A. That is correct.

22 Q. And, I see that being your Exhibit MMJ-8, which is at
23 Bates stamp 93. Is that right?

24 A. Yes. That is correct.

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[WITNESS: Janzen]

1 Q. Are you there, because I just had a question on how to
2 read this? What is the rate class for the largest
3 customers for National Grid in New Hampshire? Is that
4 G-3?

5 A. That's the G-1 and G-2.

6 Q. G-1 and G-2. And, so, if we look -- well, maybe, why
7 don't I just ask you to point out to me the most recent
8 customer migration percentages for that, those rate
9 classes on this table?

10 A. Okay. Very good. I'll point us to the bottom right
11 quadrant of the table. And, if we go down to the row
12 labeled "G-1", each of the -- there's three lines in
13 each section -- three columns in each section
14 representing the different months. But, if I could
15 take you to perhaps the far right, the three columns
16 there, that indicates that, on a kilowatt-hour
17 measurement, that, for the G-1 Large Customers, that
18 under the column labeled "July 2011", under the main
19 heading "Competitive Service", that's "76 percent" of
20 the load in the G-1 had been taking their commodity
21 from a retail supplier. And, as we move across, it
22 decreased slightly in August to "71", and then remained
23 stable in September at "71 percent".

24 MS. AMIDON: Okay. Thank you. That's

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[WITNESS: Janzen]

1 very helpful. And, that concludes my questions. Thank
2 you very much.

3 CHAIRMAN GETZ: Thank you. No questions
4 from the Bench. Anything further, Ms. Pak?

5 MS. PAK: I don't have anything further.

6 CHAIRMAN GETZ: Then, the witness is
7 excused. Thank you.

8 Is there any objection to striking the
9 identifications and admitting the exhibits into evidence?

10 (No verbal response)

11 CHAIRMAN GETZ: Hearing no objection,
12 they will be admitted into evidence.

13 Is there anything prior to opportunity
14 for closings?

15 (No verbal response)

16 CHAIRMAN GETZ: Hearing nothing, then,
17 Ms. Amidon.

18 MS. AMIDON: Thank you. Staff has
19 reviewed the filing. And, we believe that the Company
20 conducted the bid solicitation, evaluation and the
21 selection of the winning bidder in accordance with the
22 Commission Order 24,577 in the docket that set up the
23 structure for these Default Service proceedings. That's
24 Docket DE 05-126. And, we believe that the resulting

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1 rates are market-based, and recommend that the Commission
2 approve the Petition.

3 With respect to the Motion for
4 Confidential Treatment, we have no objection. The items
5 for which the Company requests confidential treatment are
6 similar to those that have been granted by the Commission
7 in prior filings, and we find no -- we do not take any
8 objection to it.

9 CHAIRMAN GETZ: Thank you. Ms. Pak.

10 MS. PAK: The Company requests that the
11 Commission approve the Default Service rates as set forth
12 in its filing. As supported by Ms. Janzen's testimony and
13 her schedules, the Default Service rates were developed
14 through a competitive process and in accordance with the
15 Commission's Default Service procurement requirements.
16 The Company's request for proposals were widely
17 distributed and the bids received were evaluated based on
18 price, as well as qualitative factors. And, as such, the
19 Company submits that the rates are just and reasonable,
20 and would request that the Commission enter an order, if
21 possible, by December 20th approving the rates. Thank
22 you.

23 CHAIRMAN GETZ: All right. Thank you.
24 We'll close the hearing and take the matter under

1 advisement.

2 (Whereupon the hearing ended at 1:47
3 p.m.)