

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

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10 **E X H I B I T S**

11 EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
12 1	Filing regarding Default Service for the Period Beginning November 1, 2006, Volumes 1 & 2 (09-25-06)	10
14 2	CONFIDENTIAL version of the filing regarding Default Service for the Period Beginning November 1, 2006, Volumes 1 & 2 (09-25-06)	10

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19 **CLOSING STATEMENTS BY:**

20	Ms. Hollenberg	39
21	Ms. Amidon	39
22	Ms. Blackmore	39

PROCEEDINGS

CHAIRMAN GETZ: Okay. Good afternoon.

We'll open the hearing in docket DE 06-115, concerning Granite State Electric Company. This proceeding is a continuation of the procedures adopted in docket DE 05-126. On August 21, the Company asked that we reschedule the hearing dates in the proceeding, and, at a Commission meeting on September 16, we announced that the hearing would take place on September 27th, today, at 1:30 p.m. We have a notice of participation by the Office of Consumer Advocate. And, we have the petition of the Company submitting its proposed Default Service rates for the Large Customer Group for the period November 1, 2006 through January 31, 2007, and for the Small Customer Group for the period November 1 through April 30, 2007 that was filed on September 25.

Can we take appearances please.

MS. BLACKMORE: Thank you, Mr. Chairman.

19 My name is Alexandra Blackmore, and I'm appearing on
20 behalf of National Grid. With me is Donald Pfundstein, of
21 Gallagher, Callahan & Gartrell. And, testifying is John
22 Warshaw, who is the Principal Analyst for Energy Supply.

CHAIRMAN GETZ: Good afternoon.

CMSR. MORRISON: Good afternoon.

CMSR. BELOW: Good afternoon.

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

CMSR. BELOW: Good afternoon.

CHAIRMAN GETZ: Good afternoon.

7 CMSR. MORRISON: Good afternoon.

CHAIRMAN GETZ: Good afternoon.

13 CMSR. MORRISON: Good afternoon.

14 CMSR. BELOW: Good afternoon.

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.

(The document, as described, was

[Witness: Warshaw]

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

8 JOHN D. WARSHAW, SWORN

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 O 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 Unitil 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.

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.)

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23
24

[Witness: Warshaw]

(Hearing resumes on the public portion
of the 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: Warshaw]

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.

MR. McCCLUSKEY: 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 O And, that is Sempra?

20 A Yes.

21 O And, the winner of the Block O2 is Bidder A?

22 A Correct.

23 Q And, that's TransCanada?

24 A Yes.

[Witness: Warshaw]

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 Q 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: Warshaw]

1 **Pages 30 through 37** are contained under
2 separate cover so designated.)
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[Witness: Warshaw]

(Hearing resumes on the public portion
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.

CMSR. BELOW: Okay. Thank you.

CHAIRMAN GETZ: Any redirect,

16 Ms. Blackmore?

MS. BLACKMORE: I have nothing further.

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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