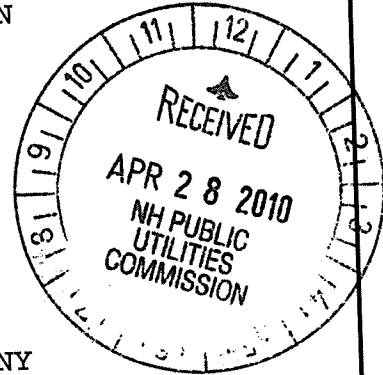


STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

April 7, 2010 - 10:05 a.m.  
Concord, New Hampshire



RE: DE 09-225  
GRANITE STATE ELECTRIC COMPANY  
d/b/a NATIONAL GRID:  
GreenUp Service Proposal.

PRESENT: Commissioner Amy L. Ignatius, Presiding  
Commissioner Clifton C. Below

Sandy Deno, Clerk

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

Reptg. Residential Ratepayers:  
Meredith Hatfield, Esq., Consumer Advocate  
Office of Consumer Advocate

Reptg. PUC Staff:  
Suzanne G. Amidon, Esq.  
Thomas C. Frantz, Director, Electric Division

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

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WITNESS PANEL:           EDWARD H. WHITE, JR.  
                                  JULIANA C. GRIFFITHS

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1

Initial filing, including the  
Pre-Filed Direct Testimony of  
Edward H. White, Jr. and  
Juliana C. Griffiths (11-13-09)

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Settlement Agreement (03-31-10)

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Reply card for the GreenUp  
Renewable Energy Option

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RESERVED (Corrected response  
to Request No. OCA 1-2)

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1 P R O C E E D I N G

2 CMSR. IGNATIUS: Good morning and  
3 welcome. We're going to open the hearing in DE 09-225,  
4 which is National Grid's GreenUp Service Proposal. On  
5 November 13, 2009, Granite State Electric Company, or  
6 National Grid, filed a request for approval of the new  
7 Renewable Default Service Rate Option, the GreenUp Service  
8 Proposal, pursuant to RSA 374-F:3, V(f).

9 So, let us take appearances.

10 MS. KNOWLTON: Good morning,  
11 Commissioners. Sarah Knowlton, with the McLane law firm,  
12 here today for Granite State Electric Company d/b/a  
13 National Grid. And, with me today from the Company, who  
14 will be the Company's witnesses, are Ed White and Julie  
15 Griffiths.

16 CMSR. IGNATIUS: Thank you.

17 MS. HATFIELD: Good morning,  
18 Commissioners. Meredith Hatfield, for the Office of  
19 Consumer Advocate, on behalf of residential ratepayers.

20 CMSR. IGNATIUS: Good morning.

21 MS. AMIDON: Good morning,  
22 Commissioners. Suzanne Amidon, for Commission Staff, and  
23 with me today is Tom Frantz, who is the Director of the  
24 Electric Division.

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1 CMSR. IGNATIUS: Good morning. Thank  
2 you. I understand a settlement has been filed in this  
3 case. And, is there an expectation of a panel to present  
4 or individual witnesses?

5 MS. KNOWLTON: Yes. The Company would  
6 like to put up as a panel Mr. White and Ms. Griffiths.  
7 And, we would also like to mark for identification the  
8 Company's filing as "Exhibit 1" and the Settlement  
9 Agreement as "Exhibit 2".

10 CMSR. IGNATIUS: All right. So, let's  
11 mark those for identification first. And, while we're  
12 pulling those out, does OCA or Staff intend to testify as  
13 well?

14 MS. HATFIELD: No, we don't.

15 MS. AMIDON: No.

16 CMSR. IGNATIUS: Okay. Thank you. So,  
17 Ms. Knowlton, which documents did you want to mark?

18 MS. KNOWLTON: So, the Company's filing  
19 as "Exhibit 1", and, if you need copies, I have copies  
20 available. That would be the Testimony of Edward H.  
21 White, Jr. and Juliana C. Griffiths, with all of the  
22 attachments as filed.

23 CMSR. IGNATIUS: And, is that dated  
24 November 13?

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1 MS. KNOWLTON: Yes.

2 CMSR. IGNATIUS: All right. So, we'll  
3 mark that as "Exhibit 1" for identification.

4 (The document, as described, was  
5 herewith marked as Exhibit 1 for  
6 identification.)

7 MS. KNOWLTON: And, then, the Settlement  
8 Agreement as "Exhibit 2". And, there were no attachments  
9 to that, just the agreement.

10 CMSR. IGNATIUS: Okay. And, that was  
11 filed March 31st, 2010?

12 MS. KNOWLTON: Yes. Yes. Thank you.

13 CMSR. IGNATIUS: All right. We'll mark  
14 for identification as "Exhibit Number 2".

15 (The document, as described, was  
16 herewith marked as Exhibit 2 for  
17 identification.)

18 CMSR. IGNATIUS: And, I take it there  
19 are no other intervenors in this docket? None that we see  
20 in the file?

21 (No verbal response)

22 CMSR. IGNATIUS: All right. Thank you.  
23 Then, unless there are any other preliminary matters,  
24 would you call your witnesses.

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[WITNESS PANEL: Griffiths|White]

1 MS. KNOWLTON: The Company calls  
2 Mr. Edward White and Ms. Juliana Griffiths.  
3 (Whereupon Edward H. White, Jr. and  
4 Juliana C. Griffiths were duly sworn and  
5 cautioned by the Court Reporter.)

6 EDWARD H. WHITE, JR., SWORN

7 JULIANA C. GRIFFITHS, SWORN

8 DIRECT EXAMINATION

9 BY MS. KNOWLTON:

10 Q. Good morning. Ms. Griffiths, would you please state  
11 your full name for the record.

12 A. (Griffiths) Juliana Cathleen Griffiths.

13 Q. And, by whom are you employed?

14 A. (Griffiths) National Grid.

15 Q. And, what is your position with the Company?

16 A. (Griffiths) I am the Manager of Supplier Services,  
17 Retail Access.

18 Q. Would you briefly describe your job duties.

19 A. (Griffiths) Yes. I supervise the analysts at the  
20 Company that are responsible for answering inquiries  
21 from competitive gas and electric suppliers  
22 participating in National Grid's Retail Access Program.  
23 This is across all of National Grid's territories, and  
24 the GreenUp Program falls within this group.

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[WITNESS PANEL: Griffiths|White]

- 1 Q. Mr. White, would you state your full name for the  
2 record please.
- 3 A. (White) Sure. It's Edward H. White, Jr.
- 4 Q. And, by whom are you employed?
- 5 A. (White) National Grid.
- 6 Q. In what capacity?
- 7 A. (White) I am the Vice President of Energy Products.
- 8 Q. And, would you describe your job duties.
- 9 A. (White) Sure. It's a newly appointed role within the  
10 last month, where I have responsibility for our energy  
11 efficiency programs, our renewable development  
12 activities, as well as new products and services.
- 13 Q. And, what did you do prior to that?
- 14 A. (White) I was the renewable development lead for our  
15 renewable development activities in some of our other  
16 jurisdictions. And, I was the head of Customer  
17 Strategy and Segmentation.
- 18 Q. Mr. White, I'll show you the document that has been  
19 marked for identification as "Exhibit 1", which is  
20 prefiled testimony that was submitted by you and  
21 Ms. Griffiths. Are you familiar with this document?
- 22 A. (White) Yes, I am.
- 23 Q. And, was this prepared by you or under your direction?
- 24 A. (White) Yes, it was.

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[WITNESS PANEL: Griffiths|White]

1 Q. Do you have any corrections to your testimony?

2 A. (White) The only correction would be my new title that  
3 I just described previously.

4 Q. And, if I were to ask you today the questions that are  
5 in your testimony, would your answers be the same save  
6 for that correction?

7 A. (White) Absolutely.

8 Q. Thank you. Ms. Griffiths, I'm going to ask you the  
9 same thing. Was this testimony that was marked for  
10 identification as "Exhibit 1" prepared by you or under  
11 your direction?

12 A. (Griffiths) Yes.

13 Q. And, do you have any corrections to it?

14 A. (Griffiths) No.

15 Q. And, if I were to ask you the questions today that are  
16 contained in your testimony, would your answers be the  
17 same?

18 A. (Griffiths) Yes.

19 Q. And, would you just identify quickly for the record the  
20 attachments to the testimony.

21 A. (Griffiths) The attachments include the terms and  
22 conditions for GreenUp Service, the Supplier Services  
23 GreenUp Agreement, and the GreenUp Recovery Provision.

24 Q. Okay. Mr. White, we've marked for identification as

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[WITNESS PANEL: Griffiths|White]

1 "Exhibit 2" the Settlement Agreement that was entered  
2 into by the Company, the Office of Consumer Advocate,  
3 and the Staff of the Commission on March 31st. Are you  
4 familiar with the Settlement Agreement?

5 A. (White) Yes, I am.

6 Q. And, did you participate in its development?

7 A. (White) Yes, I did.

8 Q. Ms. Griffiths, are you familiar with the Settlement  
9 Agreement as well?

10 A. (Griffiths) Yes, I am.

11 Q. And, did you participate in its development?

12 A. (Griffiths) Yes, I did.

13 Q. Mr. White, I'd like to start with you. And, if you  
14 could just describe, just as a general matter, why the  
15 Company adopted the approach to the GreenUp Program  
16 that it did?

17 A. (White) Absolutely. The GreenUp Program is consistent  
18 with what we deploy in some of our other service  
19 territories. And, it's been based on a market  
20 participation or market-based program, where  
21 competitive suppliers offer products to our customers  
22 that are interested in procuring renewable products as  
23 part of their energy supply.

24 Q. Okay. Ms. Griffiths, I'm going to ask you to walk us

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[WITNESS PANEL: Griffiths|White]

1 through the Settlement Agreement, if you would. Would  
2 you please describe for the Commissioners the terms of  
3 the Settlement that the Company has agreed to.

4 A. (Griffiths) Yes. The settling parties are recommending  
5 that the Commission approve the Settlement Agreement in  
6 its entirety, with a few changes. Those changes are  
7 for the Commission to determine the eligibility or  
8 ineligibility of the rate classes. We have recommended  
9 that the program be offered to residential customers  
10 and small commercial customers, and that large --  
11 medium and large commercial customers, as well as  
12 Outdoor Lighting, not participate in the program.

13 Q. Ms. Griffiths, I think you just referred to the  
14 Commission -- asking that or "recommending that the  
15 Commission approve the Settlement as filed." Do you  
16 mean "the Company's GreenUp Proposal as filed"?

17 A. (Griffiths) Yes, the GreenUp Proposal.

18 Q. Okay. And, does the Settlement exclude any other  
19 customers -- any residential customers from  
20 participation in GreenUp?

21 A. (Griffiths) All residential customers will be included.

22 Q. Are there any that are excluded from GreenUp  
23 participation? If you turn to Page 3 of the Settlement  
24 Agreement, I believe that there's a description of

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[WITNESS PANEL: Griffiths|White]

1       which customers would be ineligible to participate in  
2       GreenUp. And, you've identified the Outdoor Lighting  
3       and the medium and large commercial and industrial  
4       customers taking Default Service.

5     A.   (Griffiths) Right. So, we would include Domestic  
6       Service D, which is general residential;  
7       Domestic-Optional Peak Load Pricing D-10, which is  
8       residential off-peak; we would also include G-3, small  
9       commercial; and then we would include residential-all  
10      electric.

11    Q.   Okay. And, are there any residential customers that  
12       are excluded from participating in GreenUp?

13    A.   (Griffiths) No.

14    Q.   All right. Okay. If you would look at Page 3 of the  
15       Settlement Agreement, I believe it refers to --

16    A.   (Griffiths) The low income.

17    Q.   -- customers on the Energy Assistance Program not being  
18       eligible to participate, is that correct?

19    A.   (Griffiths) I apologize. Yes, that is correct.

20    Q.   Okay. Thank you. Mr. White, can you explain for the  
21       Commission why the Company has taken the position that  
22       the medium and large commercial and industrial  
23       customers taking Default Service should not be eligible  
24       to participate in GreenUp?

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[WITNESS PANEL: Griffiths|White]

1 A. (White) Yes. Basically, our experience has been that  
2 the commercial customers have that market, is already a  
3 well-established market, and customers are already  
4 taking advantage of competitive supply, as well as some  
5 green products. So, what we found is that that's not  
6 something that we need to also offer in this case, and  
7 it's consistent with what we've done in other  
8 jurisdictions.

9 Q. Ms. Griffiths, the Settlement Agreement, and I'm in  
10 Section II.B, refers to administrative, marketing and  
11 promotional costs that the Company would seek to  
12 recover in association with the GreenUp Program. Would  
13 you describe those please.

14 A. (Griffiths) Yes. The administrative costs would  
15 include an analyst's time to answer supplier inquiries,  
16 to respond to billing inquiries from suppliers, as well  
17 as develop and -- design, develop, and print up of a  
18 new brochure. We will also be partnering with -- oh,  
19 I'm sorry, I need to take a step back. The analyst's  
20 time would include responding to supplier inquiries,  
21 responding to bill inquiries, coordinating the bill  
22 inserts, as well as providing monthly reports to  
23 suppliers, and any other ad hoc GreenUp requests that  
24 come along.

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[WITNESS PANEL: Griffiths|White]

1 Q. And, has the Company estimated any of those costs?

2 A. (Griffiths) Yes. We're estimating approximately 154  
3 hours yearly, at a cost of \$75 an hour, for a total  
4 cost of approximately \$11,550. These are estimates,  
5 and actuals will be provided to the Commission in the  
6 retail rate reconciliation.

7 Q. And, are there any changes that would be necessary to  
8 the Company's billing system to accommodate GreenUp in  
9 New Hampshire?

10 A. (Griffiths) Yes.

11 Q. Are there costs associated with that that the Company  
12 would seek to recover as part of the Settlement  
13 Agreement?

14 A. (Griffiths) Approximately \$3,950.

15 Q. And, if the Company were to -- if the Commission were  
16 to decide that the medium and large commercial and  
17 industrial customers should participate in the GreenUp  
18 Program, would there be other costs incurred to change  
19 the Company's billing system to accommodate that?

20 A. (Griffiths) Yes. Approximately \$1,600.

21 Q. Okay. And, if the Commission made that ruling, would  
22 the Company also seek to recover those costs as well?

23 A. (Griffiths) Yes, they would.

24 CMSR. IGNATIUS: Can I ask, before you

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[WITNESS PANEL: Griffiths|White]

1 go on, I just missed it, what was the \$3,950 figure for?

2 WITNESS GRIFFITHS: That was to market  
3 the program in the first year.

4 CMSR. IGNATIUS: I'm sorry, was --

5 WITNESS GRIFFITHS: For administrative  
6 costs --

7 CMSR. IGNATIUS: Yes.

8 WITNESS GRIFFITHS: -- totaling \$11,550,  
9 and then marketing costs for the first year, 3,950.

10 CMSR. BELOW: I thought you just said  
11 the 3,950 was for changes to the billing system?

12 WITNESS GRIFFITHS: \$1,600, changes --  
13 I'm sorry, 3,950, changes to the billing system, yes.

14 CMSR. IGNATIUS: At some point, whether  
15 it's through cross-examination or further direct, just the  
16 numbers aren't quite matching what's in the settlement  
17 proposal. So, I won't get in the middle of it, as long as  
18 we just make sure we work through the different numbers.

19 MS. KNOWLTON: Thank you.

20 CMSR. IGNATIUS: Thank you.

21 BY MS. KNOWLTON:

22 Q. So, Ms. Griffiths, if you would look at Page 3 of the  
23 Settlement, Section B, that addresses administrative,  
24 marketing and promotional costs.

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[WITNESS PANEL: Griffiths|White]

1 A. (Griffiths) Uh-huh.

2 Q. The Settlement refers to a "\$35,800 in customer  
3 outreach and education costs." Would you identify what  
4 those costs are for and when the Company expects to  
5 incur those costs?

6 A. (Griffiths) The Company expects to jump-stamp the  
7 program in the first year using those costs to do print  
8 ads, to do direct marketing through our website, to  
9 partner with Energy Efficiency at different events that  
10 they already attend, as well as to develop and print a  
11 brochure.

12 Q. And, the "\$11,550" that you describe for responding to  
13 the inquiries and providing the bill inserts is a  
14 separate bucket of dollars, correct?

15 A. (Griffiths) A separate bucket of dollars for  
16 administrative costs, yes.

17 A. (White) If I could add something, just to help out?

18 Q. Sure.

19 A. (White) The reason that we put together an estimate for  
20 the -- the reason we put together the costs for the  
21 education and outreach is based on our experience in  
22 deploying this in other areas. If we don't communicate  
23 it, customers don't even know it's -- they're not even  
24 aware of it, and the participation has been actually

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[WITNESS PANEL: Griffiths|White]

1 relatively low. Given some of our feedback that we  
2 heard up in New Hampshire, it's our belief that, by  
3 jump-starting the program, getting the word out there,  
4 the customers will take advantage of the program. And,  
5 there's been some unofficial surveys that there's some  
6 excitement around the program. So, that's our thinking  
7 at least behind the outreach. So, I just wanted to  
8 make sure that that was on the record at least.

9 Q. And, then, there's a potential other cost of \$1,600,  
10 which you've identified, which is associated with --

11 A. (Griffiths) Changes --

12 Q. -- billing system changes, correct?

13 A. (Griffiths) For C&I customers, yes.

14 Q. And, that cost would only be incurred if the Commission  
15 determined that those customers should participate in  
16 GreenUp?

17 A. (Griffiths) Yes.

18 Q. Thank you. Ms. Griffiths, how would the Company -- you  
19 referred to recovery of those costs in the annual  
20 reconciliation filing. Can you just explain for the  
21 Commission what the timing of that would be? I'm  
22 sorry, Mr. White, if you prefer to answer that.

23 A. (White) Yes. Well, the timing in the annual  
24 reconciliation would be in November, from what I recall

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[WITNESS PANEL: Griffiths|White]

1 from the Settlement Agreement. So, every November we  
2 would "true up", is probably the best way to describe  
3 how we would reconcile any costs or actual costs. So,  
4 these numbers are all estimates, and we would bring  
5 forward the actual costs.

6 Q. And, when would the Company seek to implement the  
7 actual factor that's described in the filing?

8 A. (Griffiths) Immediately. Immediately upon the order  
9 being approved.

10 Q. Okay. Can you walk us through that process what would  
11 happen? In terms of the Company -- would the Company  
12 project what those costs were in developing the GreenUp  
13 factor that would be billed to customers?

14 A. (Griffiths) Pardon me. The adjustment factor would, as  
15 we know, would be a uniform per kWh charge, and it  
16 would be applicable to all retail delivery customers.  
17 It would be included with the distribution kW charge  
18 for billing purposes. Upon receiving Commission  
19 approval of the GreenUp Program, the Company would  
20 submit a compliance filing proposing the GSRA to be  
21 effective with the implementation of the GreenUp  
22 Service Program.

23 Q. And, Ms. Griffiths, if you would look at what's been  
24 marked for identification as "Exhibit 1", and I

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[WITNESS PANEL: Griffiths|White]

1 apologize, these pages are not consecutively numbered,  
2 but there is a tariff page, NHPUC Number 17, which is  
3 attached as "Schedule 2" at the back of -- far back in  
4 your testimony. Do you have that in front of you or I  
5 can give you a copy to look at, if you want? If you  
6 would look at that. If you would just take a minute  
7 and look at that, I believe that describes how the  
8 Company is proposing to put this factor into effect.

9 If you look at paragraph one, I think it  
10 refers to the factor being "established annually based  
11 on a forecast of GreenUp Service administrative costs",  
12 is that correct?

13 A. (Griffiths) Yes.

14 Q. So, the Company -- is it your position that, once the  
15 Commission has issued an order approving the program,  
16 that the Company would submit a compliance tariff that  
17 would show the forecast of what those costs would be  
18 and it would seek to recover those --

19 A. (Griffiths) Yes.

20 Q. -- upon approval of the tariff?

21 A. (Griffiths) Yes.

22 Q. And, Mr. White, do you have any projections about what  
23 that cost would be based on the estimates that  
24 Ms. Griffiths has given today?

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[WITNESS PANEL: Griffiths|White]

- 1 A. (White) Yes. Subject to check, I believe the amount  
2 that we were looking at for a 500 kW customer was about  
3 three cents a month.
- 4 Q. Okay. Ms. Griffiths, the Settlement Agreement also  
5 provides for some reporting requirements on the part of  
6 the Company. Would you describe what those are please?
- 7 A. (Griffiths) Yes. Sixty days after completion of day  
8 one of the program, the Company will provide a report  
9 to the Commission that will include the number of  
10 participants that have elected to participate in the  
11 GreenUp Program. The Company will also provide to the  
12 Commission the number of RECs that were eligible. This  
13 will only include three quarters, in accordance with  
14 the GIS reporting process.
- 15 Q. And, let me just step back for a minute. You referred  
16 to "60 days from day one that the program is in  
17 effect." I think, do you mean "one year"?
- 18 A. (Griffiths) One year.
- 19 Q. Okay. So, the program would have been in effect for  
20 one full year, --
- 21 A. (Griffiths) Yes.
- 22 Q. -- and then sixty days after that the Company would  
23 file this report?
- 24 A. (Griffiths) Yes.

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[WITNESS PANEL: Griffiths|White]

- 1 Q. And, is it your understanding that the Company would  
2 only have three quarters of data on the eligibility of  
3 RECs, just given the timing of the verification process  
4 through the GIS?
- 5 A. (Griffiths) Yes. And, I have the schedule, if the  
6 Commission needs that.
- 7 Q. And, is there any other information that the Company  
8 would be including in that report, other than the REC  
9 eligibility and the numbers of customers that  
10 participate?
- 11 A. (Griffiths) No.
- 12 Q. Okay. If you would look at the Settlement Agreement,  
13 in Paragraph C, I think it refers to providing  
14 information about the administrative costs that were  
15 incurred by the Company during that first year,  
16 administrative, marketing, and promotional costs?
- 17 A. (Griffiths) The administrative and marketing costs  
18 would be provided to the Company -- to the Commission,  
19 yes.
- 20 Q. Okay. And, has the Company made any commitments to  
21 Staff and Office of Consumer Advocate to confer about  
22 the performance of the program during the first year?
- 23 A. (Griffiths) Yes.
- 24 Q. Ms. Griffiths, are you aware of whether there's any

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[WITNESS PANEL: Griffiths|White]

1 suppliers that are actually interested in providing  
2 this service in New Hampshire?

3 A. (Griffiths) There are. There are two suppliers,  
4 Community Energy and Sterling Planet.

5 Q. And, have they given you any more detailed information  
6 about the nature of the GreenUp services that they  
7 would offer, in terms of pricing or --

8 A. (Griffiths) Yes. Yes. Sterling -- Community Energy  
9 has indicated that they would offer a block option to  
10 their customers, which would be 100 percent wind, and  
11 they would charge \$5.50 per block of 100  
12 kilowatt-hours.

13 Q. Does the Company have any role in determining the  
14 prices for the GreenUp services?

15 A. (Griffiths) No, we do not.

16 Q. Is there any minimum participation levels that would be  
17 required by customers for the program to exist?

18 A. (Griffiths) There are no minimum participation levels  
19 set, but the Company does have to be economically  
20 prudent, and would not be able to run the program for  
21 only one customer.

22 Q. If the Commission were to approve the Settlement  
23 Agreement, you've indicated that the Company would file  
24 -- make a compliance filing of the tariff. Is there

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[WITNESS PANEL: Griffiths|White]

1 anything else that the Company, from your perspective,  
2 would need to file, in compliance with any order issued  
3 by the Commission?

4 A. (Griffiths) No. The Company has provided a draft  
5 tariff. And, we would -- we would provide a compliance  
6 tariff that would include the Commission's order.

7 Q. Okay. And, that tariff has some terms and conditions  
8 that are associated with it for GreenUp participation,  
9 correct?

10 A. (Griffiths) Yes.

11 Q. If you look at -- okay. And, if you, let's -- if we  
12 could look at that please, which is I believe  
13 Schedule 1 to your testimony?

14 A. (Griffiths) Yes.

15 Q. If you look at the second page of that, which at the  
16 top says "NHPUC Sheet 2 of 12". Do you see that  
17 there's a definition of "customer" there?

18 A. (Griffiths) Yes.

19 Q. Would that need to be changed if --

20 A. (Griffiths) That would be -- that would need to be  
21 changed in conjunction with the Commission's order of  
22 eligibility or ineligibility of customers.

23 MS. KNOWLTON: I don't have anything  
24 further for the witnesses.

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[WITNESS PANEL: Griffiths|White]

1 CMSR. IGNATIUS: Thank you.

2 Ms. Hatfield.

3 MS. HATFIELD: Thank you. Good morning.

4 WITNESS WHITE: Good morning.

5 WITNESS GRIFFITHS: Good morning.

6 CROSS-EXAMINATION

7 BY MS. HATFIELD:

8 Q. If the Commission approves the GreenUp Proposal, when  
9 does the Company estimate that it could actually start  
10 offering it to customers?

11 A. (Griffiths) We expect to offer the GreenUp Program in  
12 New Hampshire sixty days after the order is approved.

13 Q. Ms. Knowlton asked you about whether the Company  
14 actually sets the price for GreenUp or whether the  
15 third party suppliers do. Do I understand correctly  
16 that it's the third party suppliers who set the price?

17 A. (Griffiths) Yes.

18 Q. And, because of that program design, is it also true  
19 that the Company will not be seeking to collect any  
20 over or under collections resulting from GreenUp from  
21 the whole class of Default Service customers who are  
22 eligible?

23 A. (Griffiths) Yes.

24 Q. And, that's because the responsibility for offering the

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[WITNESS PANEL: Griffiths|White]

1 program and collecting the appropriate amount, and  
2 dealing with whether or not enough RECs were purchased  
3 really lies with the third party supplier and not with  
4 the Company?

5 A. (Griffiths) Well, the Company does determine whether or  
6 not the RECs qualify. And, if the RECs do not qualify,  
7 they're returned to the supplier for correction.

8 Q. And, then, that responsibility lies --

9 A. (Griffiths) Lies on the supplier, yes.

10 A. (White) So we don't go out and over collect RECs in  
11 anticipation of participation levels, we collect what  
12 we need to collect.

13 Q. So, it takes the Company out of the role of having to  
14 determine how many RECs to purchase, that lies with the  
15 third party suppliers?

16 A. (Griffiths) Correct.

17 A. (White) Yes.

18 MS. HATFIELD: No further questions.

19 Thank you.

20 CMSR. IGNATIUS: Thank you. Ms. Amidon.

21 MS. AMIDON: Thank you.

22 BY MS. AMIDON:

23 Q. Just to get some clarification about the timing, when  
24 would, assuming that there's approval by the

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[WITNESS PANEL: Griffiths|White]

1 Commission, when would the Company plan to collect the  
2 costs from all customers for the administrative and  
3 marketing costs for establishing the program?

4 A. (Griffiths) The Company would seek to collect 60 days  
5 after the order, as soon as we start the program. And,  
6 that is my understanding of how that would work.

7 Q. So, just assuming that that was approved May 1, there  
8 would be 60 days --

9 A. (Griffiths) May 1, right.

10 Q. -- following that?

11 A. (Griffiths) Yes.

12 Q. And, when would you begin marketing the program? Would  
13 that be approximately the same time you would be  
14 collecting --

15 A. (Griffiths) Approximately the same time, sixty days  
16 after the order, yes.

17 Q. In your testimony here today, you said you "would  
18 expect to use the retail rate reconciliation to collect  
19 any -- to reconcile costs." What costs would you be  
20 reconciling in that? In other words, if you could give  
21 me the category of costs you would be proposing to  
22 reconcile?

23 A. (White) Yes. My understanding is it would be the  
24 costs, the actual costs, versus the projected costs

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[WITNESS PANEL: Griffiths|White]

1       that we have in the documents here. So, for instance,  
2       if marketing came in less than the 35,8 (35,800), I  
3       think was the number, it would be that opportunity to  
4       rectify and clarify that number, whatever it was.

5   Q.   Okay. And, would you expect to begin doing that with  
6       your November 2010 filing or would you wait for the  
7       program to be operating for some period of time before  
8       you undertook a reconciliation?

9   A.   (White) My understanding is we would do it on an annual  
10       -- it would be the annual reconciliation. So, by  
11       November, we should have some good cost data that we  
12       would project to include in the November effort.  
13       That's my understanding.

14  Q.   Okay. In your testimony, Mr. White, at Page 5, you  
15       talk about potential of there being a shortage on the  
16       RECs, because, pursuant to the New Hampshire statute,  
17       only certain RECs are eligible for this GreenUp  
18       Program, is that correct?

19  A.   (White) That's correct.

20  Q.   Do you have any indication that there would be a  
21       shortage of those RECs?

22  A.   (White) My understanding is it's probably not as big a  
23       concern as it was at the time we drafted our testimony.  
24       There was some concern that maybe, if the rules didn't

[WITNESS PANEL: Griffiths|White]

- 1 match up or the eligibility requirements didn't match  
2 up, that there wouldn't be enough of the right RECs.  
3 But my understanding is that's no longer a big concern.
- 4 Q. Do you have any contingency plan if there isn't any, if  
5 there aren't sufficient RECs? And, this would be a  
6 hypothetical, you know, where with have interest in the  
7 program, the GreenUp suppliers are not able to procure  
8 qualifying RECs, what would you do in that instance?
- 9 A. (White) I think at that point we would have to  
10 re-evaluate the program design. But, because it's a  
11 hypothetical, --
- 12 Q. Yes.
- 13 A. (White) -- it's not something we've spent a lot of time  
14 on.
- 15 Q. Understood.
- 16 A. (White) And, we are excited about the two companies  
17 that are going to be offering renewable products.
- 18 Q. You stated today that you had "unofficial surveys" that  
19 the customers here in New Hampshire were excited about  
20 the GreenUp offering.
- 21 A. (White) Yes.
- 22 Q. Could you please summarize what you mean by "unofficial  
23 surveys".
- 24 A. (White) It was just casual conversation with folks that

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[WITNESS PANEL: Griffiths|White]

- 1           have been receiving phone calls, whether it be Juliana  
2           or others here in New Hampshire.
- 3    Q.    So, it's really just informal?
- 4    A.    (White) Yes.
- 5    Q.    Anecdotal --
- 6    A.    (White) Yes.
- 7    Q.    -- information, not really a survey?
- 8    A.    (White) Yes. And, that's why I tried to -- yes, that's  
9           why I tried to qualify it as "unofficial". So, I  
10          apologize for the "survey" connotation.
- 11   Q.    That's fine. That's what this is all for is a  
12          clarification.
- 13   A.    (White) "Anecdotal" is great, "anecdotal" is a great  
14          way to clarify that, yes.
- 15   Q.    Do we know if any of those entities expressing interest  
16          are large commercial or industrial customers?
- 17   A.    (White) Not to my knowledge.
- 18   Q.    So, you don't know whether they are or you --
- 19   A.    (White) We didn't get into the specific what type of  
20          customer it was.
- 21   Q.    Okay. I know one of the reasons that the Company said  
22          that they wanted to exclude large industrial and  
23          commercial customers from this program is that "these  
24          customers have access to the competitive market." Do

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[WITNESS PANEL: Griffiths|White]

1       you have any evidence or experience of the  
2       participation of these commercial customers in, say,  
3       Massachusetts and their participation in the GreenUp  
4       Programs there?

5     A.   (White) Well, we don't offer it in Massachusetts or the  
6       other states. So, I don't have specific data with  
7       regard to their participation. But I do know, with  
8       some information I was provided, that we've got 1,400  
9       customers, C&I customers in our service territory here  
10      in New Hampshire. And, of that, 247 are with  
11      competitive suppliers.

12    Q.   But, for example, you don't know the level or degree of  
13      interest of the large commercial and industrial  
14      customers in Massachusetts in the GreenUp Program or  
15      whether those customers have elected to go straight to  
16      the market?

17    A.   (White) Right. And, that was -- that's by design. We  
18      never really did survey the marketplace for that  
19      because of the market being available to them. So, as  
20      we -- if we start to hear that folks are looking for  
21      National Grid to provide this service, then we would  
22      adjust, and that's part of my new role in the energy  
23      products world. But, at this point, there's not a  
24      large -- we're not getting a lot of that feedback that

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[WITNESS PANEL: Griffiths|White]

1           they're looking for that.

2   Q.   All right.

3   A.   (White) But we're willing to entertain it.

4   Q.   And, I don't mean to put words in your mouth, but, from  
5           my understanding, the Company didn't do any market  
6           analysis to determine the level of participation that  
7           you might expect in New Hampshire?

8   A.   (White) That is correct.

9   Q.   What would you expect to be a robust level of  
10          participation among customers using a percentage basis?

11  A.   (Griffiths) I can answer that, if it's okay with Ed?

12  A.   (White) Sure. That would be great. Sure.

13  A.   (Griffiths) Currently, in New England, there are  
14          approximately seven-tenths of a percent of residential  
15          customers participating, and approximately two-tenths  
16          of a percent of commercial customers that participate.  
17          Overall, we're expecting a little more than one-half of  
18          a percent of customers to participate in New Hampshire.

19  Q.   And, would you consider that "robust"?

20  A.   (Griffiths) We do. The Company is very pleased with  
21          those participation levels.

22  A.   (White) And, I'd like to add to that. We're pleased,  
23          based on the level of effort that we've gone to  
24          marketing, advancing the programs. But, in those

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[WITNESS PANEL: Griffiths|White]

1 jurisdictions, we didn't set it up where we were doing  
2 the big launch. And, that's why we're trying to learn  
3 from our past experiences and really get the word out,  
4 get the message out, because it's really education  
5 that's going to drive this type of offering. There's a  
6 lot of customers that don't even know it exists even in  
7 our other service territories. It's just a lot of it  
8 has to do with the regulatory construct around it,  
9 where "was it National Grid that should promote it?"  
10 "Is it the suppliers that should promote it?" So,  
11 that's why we have tried to learn from our past  
12 experiences and get it better. I won't say "get it  
13 right", but get it better in New Hampshire.

14 CMSR. IGNATIUS: Ms. Amidon, before you  
15 go ahead, just while we're on this topic, can you repeat  
16 again your experience in participation thus far elsewhere  
17 and what your projection is for New Hampshire, because I  
18 didn't --

19 WITNESS GRIFFITHS: Sure.

20 CMSR. IGNATIUS: -- I don't think I got  
21 those numbers.

22 WITNESS GRIFFITHS: Sure. Currently, in  
23 New England, and that would be Massachusetts and Rhode  
24 Island, there is approximately seven-tenths of a percent

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[WITNESS PANEL: Griffiths|White]

1 of customers participating, that's residential. For  
2 commercial, approximately two-tenths of a percent. So,  
3 we're estimating that we'd have a little more than  
4 one-half of a percent participation.

5 CMSR. IGNATIUS: Thank you.

6 WITNESS GRIFFITHS: You're welcome.

7 BY MS. AMIDON:

8 Q. How many suppliers of this product do you have in other  
9 jurisdictions where Grid operates the GreenUp Program?

10 A. (White) I will defer to Juliana.

11 Q. Great.

12 A. (Griffiths) So, in Rhode Island, we have Sterling  
13 Planet, Community, and People's Power & Light. In  
14 Mass., we have Sterling Planet, Community Energy, as  
15 well as Mass. Energy.

16 MS. AMIDON: One moment please.

17 (Short pause.)

18 MS. AMIDON: That concludes my  
19 questions. Thank you.

20 CMSR. IGNATIUS: Thank you.

21 Commissioner Below?

22 CMSR. BELOW: I have no questions.

23 CMSR. IGNATIUS: I have just a couple.

24 BY CMSR. IGNATIUS:

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[WITNESS PANEL: Griffiths|White]

1 Q. First, I had heard you -- misheard and thought you said

2 "7 percent were participating" and thought --

3 A. (Griffiths) That would be wonderful.

4 Q. -- it would be quite remarkable. I missed the "tenth"

5 in there. The testimony describes a customer receiving

6 a reply card to indicate interest.

7 A. (Griffiths) Yes.

8 Q. That's a card that's sent by National Grid to the

9 customers?

10 A. (Griffiths) Yes. And, I actually brought a sample. I

11 gave it to Meredith. If Meredith would be so kind to

12 show it to the Commissioners.

13 CMSR. IGNATIUS: All right. And,

14 perhaps we want to submit it for the record, if it's

15 available for us to keep?

16 WITNESS GRIFFITHS: Yes.

17 BY CMSR. IGNATIUS:

18 Q. This is what you're using in Massachusetts and Rhode

19 Island right now?

20 A. (Griffiths) And Rhode Island, yes.

21 Q. And, so, it would be tailored a bit to New Hampshire,

22 --

23 A. (Griffiths) Yes.

24 Q. -- but more or less the same?

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[WITNESS PANEL: Griffiths|White]

- 1 A. (Griffiths) Yes.
- 2 Q. So, the card goes back to National Grid?
- 3 A. (Griffiths) Yes.
- 4 Q. And, then, what does -- what does National Grid do to
- 5 then finalize that transaction?
- 6 A. (Griffiths) National Grid gets them in on a daily
- 7 basis, once we do the mailing. So, we'll receive maybe
- 8 200 or 300 of them at a time. And, on the reply card,
- 9 the customer gets to choose what supplier they would
- 10 like to go to. We batch them up and we mail them to
- 11 the suppliers on a daily basis.
- 12 Q. So, initially at least, the relationship is between the
- 13 customer and National Grid?
- 14 A. (Griffiths) Yes.
- 15 Q. If a customer decides to drop out of the program, from
- 16 your testimony it sounds like there's two different
- 17 ways they can do that?
- 18 A. (Griffiths) Yes. Yes. They can call the supplier and
- 19 say "I no longer want to be a part of GreenUp." In
- 20 which case, they will be dropped on their next meter
- 21 read. If they call National Grid, they are dropped
- 22 within two days of their call.
- 23 Q. Have you had any problems with the service in Rhode
- 24 Island or Massachusetts where that facilitating and

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[WITNESS PANEL: Griffiths|White]

1 conveyance of information has not worked smoothly?

2 A. (Griffiths) No.

3 Q. In the other jurisdictions, do you have service to some  
4 commercial customers for this program?

5 A. (Griffiths) Yes, we do.

6 Q. Is that different than what you're proposing for New  
7 Hampshire?

8 A. (Griffiths) Well, we are proposing that we have small  
9 commercial. We'd like to keep it similar. And, part  
10 of that reason is because some of the suppliers that do  
11 business now in New England would like to join the New  
12 Hampshire program. So, it would be the same across all  
13 jurisdictions.

14 Q. All right. So, when you said a moment ago that you had  
15 some commercial participation, it was still in that  
16 small category?

17 A. (Griffiths) Small, uh-huh.

18 Q. All right. The Settlement Agreement describes an open  
19 issue as to what the right level of -- I'm sorry, which  
20 categories of customers, which classification of  
21 customers should be eligible. And, Mr. White, you said  
22 you didn't see a need to include the large -- medium  
23 and large commercial customers, because there were  
24 other products available for them.

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[WITNESS PANEL: Griffiths|White]

- 1 A. (Witness White nodding affirmatively.)
- 2 Q. What about the commercial lighting customers? They are
- 3 also excluded, am I correct, from participation by your
- 4 proposal?
- 5 A. (White) Do you mean "street lighting"?
- 6 Q. Yes, I'm sorry.
- 7 A. (White) Okay. Yes, they're excluded. That's my
- 8 understanding.
- 9 Q. Is there a product available for those people as well?
- 10 A. (White) That's a great question.
- 11 A. (Griffiths) They could also go to a supplier that
- 12 offers a green offering.
- 13 Q. Are there products available to small commercial
- 14 companies out in the market?
- 15 A. (Griffiths) I didn't do research on that, but I would
- 16 imagine. So, because the three -- the three suppliers
- 17 that offer GreenUp offerings to large commercial will
- 18 also accept small commercial customers.
- 19 Q. Then, help me understand the logic that, because
- 20 there's a product available sounds like to all of the
- 21 excluded categories -- well, I'll withdraw that,
- 22 actually. I don't think that my question makes any
- 23 sense. I have a different question, though. If your
- 24 view is you don't need to do it because there are

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[WITNESS PANEL: Griffiths|White]

1 products available, how does that square with the  
2 statute in New Hampshire, which doesn't say "offer  
3 products unless" -- offer -- "you have the option of a  
4 green program, unless there's something otherwise  
5 available"? And, if you'd rather defer that to your  
6 counsel in closing statements, that's acceptable as  
7 well.

8 A. (White) Yes, we should do that.

9 Q. I know we talked before about "administrative and  
10 marketing costs", and I still didn't follow what the  
11 number that was used early on of "3,950". Can you  
12 explain what that is? And, I don't know if we're  
13 talking about \$39.50 or \$3,950?

14 A. (Griffiths) And, that was my mistake, so I apologize.  
15 So, I'll go over it again. The \$11,550 was for the  
16 administrative costs. Then, there was the 3,950 to  
17 change our billing system to accept GreenUp. That has  
18 already been done. Then, there was the 3,400 -- 34,800  
19 [35,800?] that will be spent the first year to jump the  
20 program for marketing. And, those marketing efforts  
21 would include print ads in local newspapers, direct  
22 marketing through our website, developing and printing  
23 up brochures to be distributed, and partnering with  
24 Energy Efficiency at trade shows.

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[WITNESS PANEL: Griffiths|White]

- 1 Q. So, is the "11,550" a number that, in fact, has --  
2 3,950 has already been spent?
- 3 A. (Griffiths) On changing the billing system to accept  
4 GreenUp, yes.
- 5 Q. And, if there were an order to go to include commercial  
6 and industrial customers as well?
- 7 A. (Griffiths) Another \$1,600.
- 8 Q. Okay. Are the projections for this coming year  
9 consistent for ongoing years? Is the "11,550" a good  
10 -- does it seem like a good number for future years  
11 each year?
- 12 A. (Griffiths) Yes.
- 13 Q. All right. Subject, obviously, to seeing what actually  
14 comes in?
- 15 A. (Griffiths) Yes.
- 16 Q. How about the marketing price? Is that "35,800"  
17 projected to be an annual figure or is that a one-time  
18 expense?
- 19 A. (Griffiths) That would be a one-time expense to  
20 jump-start the program, and then we would use  
21 additional dollars later on in subsequent years.
- 22 Q. Any sense as a magnitude of the additional dollars in  
23 coming years?
- 24 A. (White) I can help here. I know we -- I don't have the

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[WITNESS PANEL: Griffiths|White]

1 numbers in front of me, but I know we were planning on  
2 jump-starting it and then phasing it out over time. So  
3 that it wouldn't be something that we needed to  
4 continually, you know, spend \$34,000 on. So, it's  
5 really kind of a big splash, and then make sure that we  
6 have enough material to promote the program in some of  
7 our other channels, whether it be through the website,  
8 the trade shows or whatnot. But that's where we see a  
9 lot of the folks that are most interested in this type  
10 of product, is they're in that space. So, they're  
11 asking for brochures, they're asking for more  
12 information. We can give them a card, they can, you  
13 know, fill it out, send it back and start participation  
14 in the program.

15 CMSR. IGNATIUS: Ms. Knowlton.

16 MS. KNOWLTON: If I could just clarify?  
17 In the Settlement Agreement, in Section B, refers to, in  
18 subsequent years, that the costs that would be incurred by  
19 the Company are the administrative costs, and that's  
20 defined as responding to the supplier inquiries, doing  
21 twice a year bill inserts, producing the monthly reports  
22 that go to the suppliers, and then, if there's other  
23 inquiries that come in about GreenUp, but the intention  
24 was that the costs would be limited to the administrative

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[WITNESS PANEL: Griffiths|White]

1 costs in subsequent years. So, that \$35,800 would be a  
2 one-time first year expense.

3 CMSR. IGNATIUS: All right. I  
4 appreciate your help on that. Thank you. If there's no  
5 further questions? Ms. Hatfield?

6 MS. HATFIELD: Thank you. If I could,  
7 Madam Chair, you explored the use of the reply card with  
8 the witnesses.

9 BY MS. HATFIELD:

10 Q. And, I just wanted to make sure I understand that  
11 customers can also enroll in the program through your  
12 website, is that true?

13 A. (Griffiths) Yes.

14 Q. So, in addition to the actual reply card, a customer  
15 could, when they're paying their bill or looking for  
16 other information, they could sign up for GreenUp right  
17 online?

18 A. (Griffiths) Yes.

19 MS. HATFIELD: Thank you.

20 CMSR. IGNATIUS: Thank you. And, we  
21 should mark the card as well as "Exhibit 3" for  
22 identification.

23 (The card, as previously described, was  
24 herewith marked as Exhibit 3 for

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[WITNESS PANEL: Griffiths|White]

1 identification.)

2 CMSR. IGNATIUS: Any further questions?

3 I'm sorry, Commissioner Below.

4 CMSR. BELOW: I do. I do have a  
5 question.

6 BY CMSR. BELOW:

7 Q. To clarify, where you've said that "the administrative  
8 costs includes providing bill inserts twice a year",  
9 does that mean sort of the paper copy of the bill  
10 insert? Is the sort of mailing for the bill included  
11 in your cost of billing or do you allocate part of the  
12 cost of the mailing otherwise to the program?

13 A. (Griffiths) The administrative costs would be the  
14 coordination of the mailing with the different  
15 departments, with the communications with the Post  
16 Office to secure the box and make the payments and get  
17 the check requests, things like that.

18 Q. So, it doesn't -- providing the bill inserts as part of  
19 the administrative costs doesn't include part of the  
20 cost of mailing of the bills?

21 A. (Griffiths) Right.

22 CMSR. BELOW: Okay. Thank you.

23 MS. KNOWLTON: My understanding is is  
24 that the suppliers are responsible for the printing and

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[WITNESS PANEL: Griffiths|White]

1 the mailing costs.

2 WITNESS GRIFFITHS: Yes.

3 MS. KNOWLTON: And, that's set forth in  
4 the terms and conditions as their obligation.

5 CMSR. BELOW: Okay. Thank you.

6 MS. KNOWLTON: And, actually, if we  
7 might, I wonder whether it would be helpful to mark as  
8 Exhibit 4, we have a data response that breaks out what  
9 the \$11,550 in administrative costs consist of by  
10 category. I mean, again, this is an estimate, but I  
11 wonder whether this might be helpful to the Commission, if  
12 I could just show that to the witness.

13 CMSR. IGNATIUS: Please.

14 REDIRECT EXAMINATION

15 BY MS. KNOWLTON:

16 Q. And, Ms. Griffiths, if you would take a look at that  
17 data response and identify for the record what that is  
18 please?

19 A. (Griffiths) Yes. So, the first task would be supplier  
20 inquiries, which would include responding to supplier  
21 billing inquiries and doing manual -- and manual drops  
22 and enrollments as well. The twice a year customer  
23 bill inserts, which is about 30 -- oh, the first item  
24 is 26 hours. The second item we've estimated at 32

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[WITNESS PANEL: Griffiths|White]

1 hours. And, then, we do monthly reports, which is to  
2 the suppliers. The first one is a customer report,  
3 which tells the customer -- tells the suppliers how  
4 many customers are participating in the program by  
5 state. The second report we provide to the suppliers  
6 is what product is being sold by how many customers.  
7 In other words, how many customers are buying which  
8 product, whether it be wind or hydro. Then, we provide  
9 a report to the Massachusetts Technology Collaborative,  
10 which tells them how many customers are participating,  
11 as well as what products they're purchasing. So,  
12 that's the monthly reports. And, we estimate 48 hours  
13 a year. And, then, ad hoc GreenUp requests, such as  
14 some mailings and letters and just general inquiries.

15 Q. I have a few questions on that, Ms. Griffiths. First,  
16 can you identify what the document is that you're  
17 looking at? Is it a response to a particular data  
18 request?

19 A. (Griffiths) Yes, it is. It's a response to OCA 1-2.

20 Q. And, you referred to the "Massachusetts Technology  
21 Collaborative". Are you going to be reporting to that  
22 organization as part of this GreenUp filing?

23 A. (Griffiths) No, we will not.

24 Q. Okay. So, that was -- did you include costs associated

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[WITNESS PANEL: Griffiths|White]

1 with that in the estimate?

2 A. (Griffiths) Yes, we did.

3 Q. Should they be excluded?

4 A. (Griffiths) They should.

5 Q. Okay. Do you know how much that would be?

6 A. (Griffiths) I want to say 12 hours a month -- a year,  
7 twelve hours a year. If you take the 48 hours, --

8 MS. KNOWLTON: Actually, what I would  
9 like to do, and I apologize, is I mean, we can mark that  
10 as an exhibit, or, if you prefer that we provide a  
11 supplemental response excluding that number, because it  
12 sounds like actually there's an incorrect number built  
13 into that, and that's what the estimate of the  
14 administrative expense was based on, and I, you know, was  
15 not aware of that. So, --

16 CMSR. IGNATIUS: Why don't we reserve  
17 then an exhibit for the submission of the corrected  
18 number, --

19 MS. KNOWLTON: Okay.

20 CMSR. IGNATIUS: -- the corrected  
21 document, removing that, that cost.

22 MS. KNOWLTON: Thank you.

23 CMSR. IGNATIUS: Thank you. Is that --  
24 that would be four? No, I think, unless people have a

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[WITNESS PANEL: Griffiths|White]

1     need to put the one that includes the mistaken number into  
2     the record, I would prefer we just reserve Number 4 for  
3     something that will be similar to the OCA response --  
4     response to the OCA question, but with that correction.

5                     WITNESS WHITE:   And, that makes sense.  
6     I think, you know, in putting the estimate together, it's  
7     like "what do we do in other states?  What are we going to  
8     have to do in New Hampshire?", and trying to reconcile  
9     that.  So, we can definitely give a revised number,  
10    absolutely.

11                    (Exhibit 4 reserved)

12                   MS. KNOWLTON:   And, I think we can also  
13    clarify, if we could, in that same exhibit the billing  
14    expense that's been incurred to date for billing system  
15    changes versus those that would be incurred, you know, and  
16    depending on what the Commission decides on the commercial  
17    and industrial customer participation, the \$1,600.  We'll  
18    lay that all out clearly in the response by category, so  
19    that the Commission and parties can see that.

20                   CMSR. IGNATIUS:   But I take it the -- if  
21    I just did my math right, you'll take out 12 hours times  
22    \$75, or something along those lines?

23                   WITNESS GRIFFITHS:   Yes.

24                   MS. KNOWLTON:   That's right.  Although,

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[WITNESS PANEL: Griffiths|White]

1 Ms. Griffiths referred to the \$3,900 in administrative  
2 expense being included in the 11,550, but I don't see that  
3 on the chart. So, I want to just go back and clarify that  
4 as well.

5 CMSR. IGNATIUS: Okay. Thank you.

6 MS. KNOWLTON: I have one more question  
7 for redirect, if it's --

8 CMSR. IGNATIUS: Go ahead.

9 MS. KNOWLTON: -- okay to ask.

10 BY MS. KNOWLTON:

11 Q. Mr. White, you referred to the -- you were asked about  
12 the reconciliation of the costs and when the Company  
13 would -- the timing of the first reconciliation. The  
14 Company would not, if the Company included in its  
15 November 2010 reconciliation filing the costs for the  
16 GreenUp Program, it would not include a full year  
17 though of GreenUp, would it?

18 A. (White) Correct. It would not.

19 Q. And, so, if the Company were to include a full year,  
20 then actually the reconciliation wouldn't take place  
21 until November 2011.

22 A. (White) '11, right.

23 Q. Is that correct?

24 A. (White) Yes.

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[WITNESS PANEL: Griffiths|White]

1 Q. That is my understanding that the Company was going to  
2 reconcile after a full year of expense.

3 A. (White) Okay. And, I apologize. That's why I said  
4 "subject to check". I know it was November. It was  
5 unclear to me whether it was this coming November or  
6 the following November, but that the intent is to  
7 reconcile.

8 MS. KNOWLTON: Thank you.

9 CMSR. IGNATIUS: All right.

10 MS. KNOWLTON: Nothing further.

11 CMSR. IGNATIUS: Ms. Amidon, yes?

12 MS. AMIDON: Yes. I just have one  
13 question, if I might? Thank you.

14 RECROSS-EXAMINATION

15 BY MS. AMIDON:

16 Q. Under the statute, it says, and I'm just paraphrasing,  
17 that a utility, with Commission approval, can limit or  
18 require a minimum number of customers or a minimum  
19 amount of load to continue the program. Has the  
20 Company evaluating what a minimum number of customers  
21 or a minimum load would be? I know that we heard that,  
22 if there was one customer, it would not be economic to  
23 proceed. But I think that's pretty much a common sense  
24 type of thing. Have you evaluated it from that

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[WITNESS PANEL: Griffiths|White]

1       standpoint?

2       A.   (White) I don't think we've set a number. We're not  
3       anticipating needing to. We're hoping that, between  
4       the outreach and education and sort of the climate  
5       we're in, that that won't be a concern. But we haven't  
6       set an actual number that I'm aware.

7       Q.   Is that something you would be looking at though going  
8       forward in the operation of the program, whether the  
9       numbers were supporting the program?

10      A.   (White) Yes. Absolutely. It would be something we  
11      would have to evaluate, because we wouldn't want to  
12      just offer it for one, two or three customers. But,  
13      you know, hopefully, we're going to get enough  
14      participation and excitement around it that it becomes  
15      a non-issue.

16      Q.   Okay. Thank you.

17      A.   (White) And, I think there was also talk about meeting  
18      with Staff. And, I think that would be a discussion we  
19      would have to have with Staff to say, you know, "not as  
20      successful as we thought" or "overwhelmingly successful  
21      and how we should adjust it and change the program?"  
22      So, we're trying to learn as we go here with all the  
23      parties involved.

24                   MS. AMIDON: Okay. Thank you.

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[WITNESS PANEL: Griffiths|White]

1 WITNESS WHITE: Yes.

2 MS. AMIDON: Thank you, Commissioners.

3 CMSR. IGNATIUS: Thank you. Anything  
4 further from these witnesses?

5 (No verbal response)

6 CMSR. IGNATIUS: If not, you're excused.  
7 Thank you.

8 WITNESS WHITE: Thank you.

9 CMSR. IGNATIUS: I take it no other  
10 witnesses today?

11 MS. AMIDON: That's correct.

12 CMSR. IGNATIUS: Then, I think the final  
13 matters are, first, any objection to striking the  
14 identification numbers on exhibits and introducing them as  
15 full exhibits?

16 (No verbal response)

17 CMSR. IGNATIUS: Hearing none, we will  
18 strike the identification. And, then, I think we want to  
19 move to closing arguments, which, in this case, is more  
20 significant than merely summarizing the testimony, because  
21 there is a legal issue as to the extent of customer  
22 classifications to be included in this program. I guess,  
23 I think it makes the most sense if we ask Ms. Knowlton  
24 first, as the proponent of the proposal, to address that,

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1 go around the room, and then see if there's any further  
2 questions from the Commissioners on those issues. Ms.  
3 Knowlton.

4 MS. KNOWLTON: Thank you. I'll address  
5 the legal issue first, which is whether the Commission  
6 should permit the Company to offer the GreenUp services  
7 only to those Default Service customers described in the  
8 Settlement Agreement as the eligible customers, thereby  
9 excluding medium and large commercial and industrial  
10 customers and Outdoor Lighting customers.

11 And, from the Company's perspective, the  
12 statute which is applicable, which was passed in House  
13 Bill 395, which amended RSA 374-F:3, V(f), in Section 2  
14 provides that "a utility shall provide to its customers  
15 one or more RES options, as approved by the Commission,  
16 and which may include RES Default Service provided by the  
17 utility or the provision of retail access to competitive  
18 sellers of RES attributes." That's not a complete reading  
19 of that whole section, but I think that's the operative  
20 language that I'm focusing on.

21 The Commission has already determined in  
22 the PSNH docket that this option should only be made  
23 available to customers taking Default Service. And, I  
24 believe that that holding can be further extended in this

1 case to apply to exclude the large commercial and  
2 industrial customers who are on Default Service, because I  
3 believe that this section of the statute gives the  
4 Commission the discretion to do that. It refers to  
5 providing the service to the customers "as approved by  
6 the Commission". And, I think the Commission, in its  
7 discretion, can determine that, because those customers  
8 have the ability to go out and access competitive  
9 suppliers that offer these options, that the Company is  
10 not obligated to offer GreenUp to them.

11 I also would argue that it is in the  
12 interest of New Hampshire customers to exclude those  
13 customers from participation. There would be some  
14 additional administrative costs incurred by the Company to  
15 include them, albeit, you know, relatively small, \$1,600.  
16 There are certain efficiencies and economies of scale that  
17 would be achieved by mirroring the New Hampshire program  
18 to the program in other jurisdictions. And, it may also  
19 affect and make the program more appealing from the  
20 supplier perspective, in terms of their interest in  
21 participating, if they can have it be as similar as  
22 possible.

23 So, for those reasons, we'd ask that the  
24 Commission exclude those customers. Certainly, if the

1 Commission does not agree with that analysis, the Company  
2 will include them.

3 I do believe that the Settlement is in  
4 the public interest and should be approved. I think the  
5 Company is very excited about offering this GreenUp  
6 Program. And, I think it will be useful to the Commission  
7 to have GreenUp offered in this form, compared to the form  
8 of program that's being offered by Unitil and PSNH, so  
9 that the Commission and Staff and Consumer Advocate and  
10 other interested parties will have some basis to compare  
11 and see how different types of programs run, you know,  
12 after they have been in operation for some period of time.  
13 And, the Company certainly looks forward to sitting down  
14 with OCA and Staff, after they've got a year's of  
15 experience under their belt, to be able to talk about, you  
16 know, maybe what some of the pros and the cons of the  
17 different approaches.

18 But I do believe that this is a very  
19 viable option, which has been demonstrated in other  
20 states, and New Hampshire should have the benefit of it as  
21 well. Thank you.

22 CMSR. IGNATIUS: Thank you.

23 Ms. Hatfield.

24 MS. HATFIELD: Thank you, Madam Chair.

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1     The OCA has not taken a position on whether the program  
2     should be offered to all customers. But we do agree with  
3     Ms. Knowlton that the Commission's ruling in the PSNH  
4     case, as I understand it, that PSNH could exclude  
5     customers from participating who are not on Default  
6     Service, could be extended to approve National Grid's  
7     proposal, because those customers, as you know, can go  
8     back and forth between Default Service and a competitive  
9     supplier. And, so, in my mind, it's really a question of  
10    who has access and who is out in the marketplace working  
11    with competitive suppliers. And, although I don't think  
12    this would be required if the Company's proposal is  
13    approved, I would hope that companies like Sterling Planet  
14    and Community Energy, and some of the others that are  
15    participating in these mandated renewable service  
16    offerings are also reaching out to those larger customers  
17    to see if they could enroll them, either for just the  
18    renewable option or perhaps as a full competitive  
19    supplier. So, I do think that the Commission's decision  
20    could be extended in this way under the statute as it's  
21    written.

22                   We do support the Company's proposal.  
23    We're pleased that the Company is using a third party to  
24    provide the renewable offering. We think it's the most

1       efficient way to provide the renewable service. We think  
2       it's exciting, not only because the smaller customers will  
3       have access to a renewable offering, but it will be also  
4       their first time for most customers interacting with a  
  
5       competitive supplier. So, we think it also just fosters  
6       competition and participation in the market for smaller  
7       customers.

8                       I did want to just point the Commission  
9       to one particular part of the statute, and that is  
10      374-F:3, V, Section (f)(8). And, that states that, "If  
11      renewable energy service" -- or, "renewable default  
12      service is not available for purchase at a reasonable cost  
13      on behalf of consumers [that choose that] option, a  
14      utility may, as approved by the Commission, make payments  
15      to the Renewable Energy Fund pursuant to 362-F:10 on  
16      behalf of customers." So, I think, if the Company does  
17      find itself in a situation where -- or, the supplier  
18      actually, would find itself in a situation where RECs were  
19      not actually available, that the supplier could make  
20      payments to the Renewable Energy Fund. So, hopefully,  
21      that sort of release valve in the statute would allow a  
22      program to continue to operate even if the actual RECs  
23      weren't available. Thank you very much.

24                      CMSR. IGNATIUS: Thank you. Ms. Amidon.

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1 MS. AMIDON: Thank you. At the outset,  
2 we appreciate the work of the OCA and the Company in  
3 arriving at this partial Settlement Agreement. We are  
4 especially appreciative of the fact that the Company has  
5 agreed to the reporting requirements that were suggested  
6 by Staff. As you know, PSNH has the first approved  
7 Renewable Default Service energy option out there.  
8 National Grid presented an alternative. And, then, we  
9 have Unitil presenting an alternative, which is similar to  
10 PSNH, and yet I think proposes also to exclude the large  
11 commercial customers from participation.

12 Having said that, we note that the  
13 statute says that the Commission -- that "A utility shall  
14 provide to its customers one or more RES option, as  
15 approved by the commission", and think within that  
16 language there may be some latitude for the Commission to  
17 support the proposal that was made by National Grid and  
18 excluding the large customers.

19 However, we've only heard anecdotal  
20 information about the extent to which the other large  
21 customers or to the large commercial/industrial customers  
22 have access to the competitive market for RECs. I guess,  
23 from our perspective, if the Commission is going to  
24 approve this, that we agree or that the Commission might



1 want to condition it upon looking at the performance, say,  
2 of the PSNH program and the interest of their large  
3 customers in the renewable service option. Look at  
4 National Grid's and may require some additional  
5 information at a later point from National Grid as to what  
6 the demand is or interest is among their large customers  
7 in New Hampshire for this product. Because we're not  
8 convinced, I believe at this point, that there is no  
9 demand, and that the competitive market is going to be the  
10 most reasonable solution for that. Having said that,  
11 though, we don't have any particular objection to their  
12 exclusion of the Outdoor Lighting and the large commercial  
13 customers from participating in the program.

14 Finally, we do believe the partial  
15 Settlement is just and reasonable and in the public  
16 interest and meets the requirements for the Commission's  
17 approval. And, we urge the Commission to approve the  
18 Agreement as soon as possible in order that this program  
19 may get underway in New Hampshire.

20 CMSR. IGNATIUS: Thank you.  
21 Commissioner Below? I think I understand this, but let me  
22 just be certain. Ms. Knowlton, your argument that the  
23 Commission can adjust the classifications for eligibility  
24 is because the language that says, in (f)(2), "A utility

1       shall provide to its customers one or more RES options, as  
2       approved by the Commission". That the "as approved by the  
3       Commission" extends not just to the options, but to the  
4       customers themselves?

5                       MS. KNOWLTON: Uh-huh. That's correct.

6                       CMSR. IGNATIUS: All right. We took a  
7       bit out of order, because you were still sort of  
8       presenting your proposal as to the legal issues and rather  
9       than have you go last. Is there anything further that  
10      National Grid, as the proponent, just wants to add?

11                      MS. KNOWLTON: Just to thank everyone  
12      for their participation in the docket, but that's really  
13      it.

14                      CMSR. IGNATIUS: All right. Thank you.  
15      If nothing else, then we'll close the hearing and take the  
16      matter under advisement. Thank you.

17                      (Whereupon the hearing ended at 11:09  
18      a.m.)

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23  
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