

NHPUC Exhibits

ATTACHMENT A

Application to Massachusetts Department of Public Utilities

Exhibit CVD-1	Pre-Filed Direct Testimony of Charles V. DeRosa, Vice President and Treasurer
Exhibit CVD-2	Comparison of Net Utility Plant to Adjusted Total Capitalization
Exhibit CVD-3	Interest Rates Exhibit
Exhibit CVD-4	Certificate Regarding Board of Directors Consent Authorizing Petition
Exhibit CVD-5	Estimated Expenses of Issue

ATTACHMENT B

Information Required by New Hampshire Public Utilities Commission Form F-4

Exhibit CVD-6	Estimated Cost of Financing
Exhibit CVD-7	Source and Use of Funds
Exhibit CVD-8	Balance Sheet
Exhibit CVD-9	Income Statement
Exhibit CVD-10	Statement of Capitalization Ratios
Exhibit CVD-11	Weighted Average Cost of Debt – Current and Pro Forma
Exhibit CVD-12	Affidavit and Certification

New England Power Company
d/b/a National Grid
DE 16-____
November 3, 2016

ATTACHMENT A



Camal O. Robinson
Counsel

October 25, 2016

VIA HAND DELIVERY AND ELECTRONIC MAIL

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: New England Power Company d/b/a National Grid
Petition for Authorization and Approval of the Issuance of Long-Term Debt

Dear Secretary Marini:

On behalf of New England Power Company d/b/a National Grid (the "Company"), I am enclosing an original and nine copies of the Company's application for authorization and approval of the issuance of long-term debt in an amount not to exceed \$800 million. Also enclosed herewith is the testimony of Charles V. DeRosa, Vice President and Treasurer for National Grid USA Service Company, Inc., and exhibits thereto; a check in the amount of \$120,600.00 for the filing fee, as well as appearances of counsel on behalf of myself and Danielle C. Winter.

Please contact me with any questions you may have. Thank you very much for your time and attention to this filing.

Very truly yours,

A handwritten signature in black ink, appearing to be "C. Robinson", written over a horizontal line.

Camal O. Robinson

Enclosures

cc: Nathan Forster, Office of the Attorney General
Nebyu Retta, Office of the Attorney General
Danielle Winter, Keegan Werlin

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

New England Power Company d/b/a National Grid)
Petition for Authorization and Approval of the Issuance of)
Long-Term Debt)

D.P.U. 16-__

APPEARANCE OF COUNSEL

In the above-entitled proceeding, I hereby appear for and on behalf of New England Power Company d/b/a National Grid.



Camal O. Robinson
National Grid USA Service Company, Inc.
40 Sylvan Road
Waltham, MA 02451
(781) 907-3336 phone
(781) 296-8091 fax
camal.robinson@nationalgrid.com

Dated: October 25, 2016

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

New England Power Company
d/b/a National Grid

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D.P.U. 16-__

APPEARANCE OF COUNSEL

In the above-referenced proceeding, I hereby appear for and on behalf of New England Power Company d/b/a National Grid.



Danielle C. Winter
Keegan Werlin LLP
265 Franklin Street
Boston, MA 02110
(617) 951-1400

Dated: October 24, 2016

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

New England Power Company d/b/a National Grid)
Petition for Authorization and Approval of the Issuance of)
Long-Term Debt)

D.P.U. 16-__

Affidavit of Charles V. DeRosa

Charles V. DeRosa, does attest and swear to the following:

I, Charles V. DeRosa, certify that the attached direct testimony and related exhibits, on behalf of New England Power Company d/b/a National Grid, which bear my name, were prepared by me or under my supervision or control and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 27th day of October, 2016.


Charles V. DeRosa

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

New England Power Company d/b/a National
Grid)
)
)

D.P.U. 16-____

**APPLICATION OF NEW ENGLAND POWER COMPANY
FOR APPROVAL OF ISSUANCE OF INDEBTEDNESS**

New England Power Company d/b/a National Grid ("NEP" or the "Company"), hereby applies to the Massachusetts Department of Public Utilities (the "Department") for approval to issue, from time to time, long-term debt securities in an aggregate principal amount not to exceed \$800,000,000, pursuant to G.L. c. 164 § 14. In support of its request, the Company states as follows:

1. The Company is a Massachusetts corporation authorized to engage in and engaging in the business of generating, purchasing, transmitting, and selling electricity at wholesale and that it is an electric company as defined in G.L. c. 164 § 1. NEP operates subject to the provisions of G.L. c. 164 as amended, and has a place of business at 40 Sylvan Road, Waltham, Massachusetts 02451.

2. The capitalization of the Company at March 31, 2016, was as follows:

Common equity	\$1,038.27	million
Preferred Stock	\$1.11	million
Long-term debt	\$371.85	million
Long-term debt due within one year	\$0	million
Short-term debt to affiliates	\$568.81	million
Other short-term debt	\$0	million
Total capitalization	\$1,411.23	million

All of the common stock is owned by National Grid USA, a Delaware corporation, and a wholly owned indirect subsidiary of National Grid plc.

As of the date of this Application, the Company has the following outstanding long-term debt ("Existing Long-Term Debt"):

Amount	Maturity	Interest Rate	Original Issue Date
\$79.25 million	March 1, 2018	.85%	September 14, 1993
\$135.85 million	November 1, 2020	.90%	December 4, 1990
\$50.60 million	November 1, 2020	.85%	October 4, 1990
\$106.15 million	October 1, 2022	.85%	October 20, 1992

3. The Company hereby requests that the Department find it is in the public interest to authorize the Company to:

(a) issue, from time to time, during the period extending three years from the date of the Department's final order in this proceeding, new long-term debt not to exceed an aggregate principal amount of \$800 million outstanding, with an option for a two-year extension provided that the Company demonstrates that NEP continues to maintain a sufficient balance of total capitalizable plant against which to issue the debt securities and the purpose of the issuances continues to serve a legitimate utility purpose. The purpose of the proposed financing is to accomplish one or more of the following: (i) to refinance short-term debt with long-term debt; (ii) to finance NEP's capital needs; (iii) to construct utility plant and properties; (iv) to reimburse the treasury; (v) to fund maturing debt; and (vi) other general corporate purposes, including but not limited to the restructuring of NEP's capitalization and consisting of taxable bonds, medium or long-term notes,

debentures, revolving credit loans, and term or bank loans and similar securities (the “New Debt”), and

(b) enter into evidences of indebtedness and related instruments in connection with the New Debt, including, but not limited to, loan agreements, indentures, supplemental indentures, promissory notes, debentures, credit agreements, participation agreements, underwriting or similar agreements, bond purchase agreements, remarketing agreements, and security agreements (the “Instrument”). The terms of each Instrument will be substantially similar to the terms for comparable transactions available in the credit market, at the time of New Debt issuance, to companies having a credit rating substantially equivalent to the Company’s credit rating.

The owners of New Debt issued to or through third parties may have the right to tender the debt for purchase upon specified notice periods. The New Debt may be subject to redemption at the option of the Company in accordance with the terms of the applicable agreement and otherwise as required by such agreement.

4. To ensure adequate flexibility in meeting market conditions at the time of issuance, the Company is requesting authorization to issue New Debt as unsecured debt, taxable or tax-exempt debt, bonds, medium- or long-term notes, debentures, revolving credit loans or bank loans, or similar securities or some combination thereof. The New Debt will have a term exceeding one year and maturity dates will not exceed 30 years from the date of issuance with either an adjustable interest rate or a fixed interest rate. Further, the New Debt may be issued internally to an affiliate or through third parties, in public offerings, private placements, or Rule 144(a), and with or without investment bankers.

5. Because of volatility in the debt markets, it is in the public interest that the Company be granted an exemption from the provisions of Section 15 and Section 15A of Chapter 164 of the General Laws so that the purchasers of the New Debt be selected not by competitive bidding, but rather by the Company on the basis of standards and criteria which in management's judgment will result in significant benefits to the Company and its customers, including but not limited to the terms and interest rate.

6. It is in the public interest that the Company has the flexibility to adjust the face value of New Debt Instruments to reflect the final pricing of the security, including a discount to the face value of a particular security.

7. It is in the public interest that the Company be granted an exemption from the provisions of Section 15A of Chapter 164 of the General Laws so that such New Debt may be issued at less than face value.

8. Exhibit CVD-5 contains the Company's current estimate of the costs and expenses of issuing New Debt. However, this is an estimate only, and the actual costs and expenses may differ from this estimate. The Company requests that the actual costs and expenses of issuing New Debt be deferred and amortized over the life of the New Debt.

9. As shown in Exhibit CVD-2, the Company's total net utility plant excluding construction work in progress at March 31, 2016 was \$1.90 billion. The Company's net utility plant excluding construction work in progress exceeded its adjusted total capitalization by over \$987 million, excluding goodwill impacts.

10. The Company's Board of Directors authorized this application by written consent as evidenced by Exhibit CVD-4.

WHEREFORE, the Company respectfully makes application that the Department:

A. Vote that the issuance by the Company, from time to time, of new long-term debt securities in an amount not to exceed \$800 million in aggregate principal amount outstanding at any one time is reasonably necessary for the purposes stated;

B. Authorize and approve the issuance and sale by the Company, from time to time, to affiliates or externally through third parties (including, but not limited to, through public offerings or private placements) during the period extending three years from the date of the Department's final order in this proceeding, New Debt securities not exceeding \$800 million in aggregate principal amount outstanding at any one time, upon such terms, at such rates of interest, with such maturities and at such prices, as the Company may determine, and if the price of such New Debt securities is below the face amount of such New Debt securities, find that the issuance and sale below face amount is in the public interest and if any such New Debt security is sold at less than face value, authorize and approve the amortization of the discount over the life of such security; provided that, each issue of New Debt securities shall (a) mature in not more than 30 years from the date of issuance, (b) be sold at a price not less than 95 percent nor more than 100 percent of its principal amount, exclusive of accrued interest and expenses, (c) bear interest at a fixed rate or an adjustable rate, which will vary with a market index designated at the time of each such issuance, not exceeding an effective rate of seven percent per annum (unless an order of the Department is issued approving a higher rate), and (d) shall be sold through one or more of (i) competitive bidding, (ii) negotiation with underwriters, (iii) negotiation directly with investors, (iv) through one or more agents, (v) to one or more agents as principal for resale to investors, (vi) in private or public offerings; or (vii) in connection with the establishment of loan facilities with a bank or syndicate of banks. NEP seeks Department

authorization for an option for a two-year extension to issue New Debt pursuant to the terms contained in the Company's application provided the Company demonstrates to the Department that NEP continues to maintain a sufficient balance of total capitalizable plant against which to issue the debt securities and the purpose of the issuances continues to serve a legitimate utility purpose;

C. Authorize and approve the execution and delivery by the Company of agreements and other Instruments in connection with the issuance and sale of such New Debt securities including, but not limited to, loan agreements, indentures, notes, debentures, credit agreements, participation agreements, underwriting agreements, bond purchase agreements, remarketing agreements, security agreements and instruments, insurance agreements, or their equivalents;

D. Authorize and approve the use of the proceeds of the issue and sale of such New Debt securities for the refinancing of existing affiliate or non-affiliate debt; payment of capital expenditures incurred by the Company for extensions, additions and improvements to the Company's plant and properties or for the payment of obligations of the Company incurred for such purposes; for the repayment or terming out of short term debt; for the refinancing of existing debt; for general working capital; for reimbursement of the treasury and for other corporate purposes, including, but not limited to, restructuring of the Company's capitalization and the payment of dividends in connection therewith;

E. Authorize, approve, and vote that the Company may, from time to time in one or more transactions, refinance some or all of the New Debt securities, in one or more series and/or issues;

F. Authorize, approve, and vote the execution and delivery by the Company of such other financing and security agreements or Instruments as may be reasonably necessary in the view of the Company in connection with the issuance of the New Debt securities described in this Application, and also authorize, approve, and vote that the New Debt securities described in this Application may be guaranteed by a direct or indirect parent of the Company if the Company so elects;

G. Authorize, approve, grant, and order as in the public interest an exemption from the competitive bidding requirements of Section 15 of Chapter 164 of the General Laws in connection with the sale of any long-term debt securities is in the public interest;

H. Authorize, approve, grant, and order as in the public interest an exemption from Section 15A of Chapter 164 of the General Laws such that the New Debt securities, may be issued at less than face value; and

I. Issue such other and further orders as may be necessary to permit the Company to effect the transactions contemplated by this Application.

Respectfully submitted,

**NEW ENGLAND POWER COMPANY
D/B/A NATIONAL GRID**

By: 

Charles V. DeRosa
Vice President and Treasurer, US Treasury

Date: October 25, 2016

Exhibits

Exhibit CVD-1	Pre-Filed Direct Testimony of Charles V. DeRosa, Vice President and Treasurer
Exhibit CVD-2	Comparison of Net Utility Plant to Adjusted Total Capitalization
Exhibit CVD-3	Interest Rates Exhibit
Exhibit CVD-4	Clerk's Certificate Regarding Board of Directors Consent Authorizing Application
Exhibit CVD-5	Estimated Expenses of Issue

PRE-FILED DIRECT TESTIMONY

OF

CHARLES V. DEROSA

1 **I. Introduction and Qualifications**

2 **Q. Please state your name, position and business address.**

3 A. My name is Charles V. DeRosa. I am Vice President and Treasurer of National Grid
4 USA Service Company, Inc. ("National Grid"). My business address is One MetroTech
5 Center, Brooklyn, New York 11201.

6 **Q. On whose behalf are you testifying?**

7 A. I am testifying on behalf of New England Power Company d/b/a National Grid ("NEP"
8 or the "Company") in this proceeding.

9 **Q. Please summarize your professional and educational background.**

10 A. I graduated from Long Island University in 1991 with a Bachelor of Science degree in
11 Accounting and a Master of Science degree in Taxation in 1996. I joined National Grid in
12 2008 as Vice President of our Tax Department, where I was responsible for all tax activities
13 for National Grid, including audit management and controversy resolution, financial
14 reporting, regulatory reporting. I became Chief Accounting Officer and Vice President
15 Controller in 2013, where I was responsible for all accounting activities, including financial
16 reporting, regulatory reporting, controllership and compliance. I was named to my current
17 role, Vice President and Treasurer, in 2015, responsible for all treasury related activities for
18 National Grid USA, including debt capital markets, cash and investment management and
19 risk management. Prior to National Grid, I held various tax leadership roles at American
20 International Group (AIG) and North Fork Bank Corporation. A copy of my resume is
21 attached hereto as Attachment A.

1 **Q. Have you previously testified before the Department?**

2 A. No, I have not.

3 **Q. Mr. DeRosa, would you please give a brief description of New England Power**
4 **Company?**

5
6 A. NEP is a Massachusetts corporation and is a subsidiary of National Grid USA, a
7 Delaware corporation, and a wholly-owned indirect subsidiary of National Grid plc. The
8 principal business of NEP is providing electric transmission service, which makes it an
9 electric company as defined by G.L. c. 164 § 1. NEP operates subject to the provisions of
10 G.L. c. 164 as amended, and has a place of business at 40 Sylvan Road, Waltham,
11 Massachusetts 02451.

12 In New England, National Grid has Federal Regulatory Commission ("FERC") approved
13 formulas for calculating its transmission revenue requirement (including NEP's capital
14 structure, cost of debt, and return on equity) and its wholesale rate, which are designed to
15 recover the costs of maintaining the New England transmission system. NEP's prices,
16 terms, and conditions for electric transmission service are regulated by FERC, which
17 exercises jurisdiction over NEP's formula rate. FERC has the responsibility to ensure
18 that NEP's rates are just and reasonable.

19 **Q. Please describe NEP's application that is the subject of this proceeding.**

20 A. The purpose of this testimony is to support the NEP's request to the Department for
21 authorization to issue from time to time, during the three-year period following the date
22 of the Department's final order in this proceeding, new long-term debt not to exceed an

1 aggregate principal amount of \$800 million outstanding, with an option for a two year
2 extension provided that the Company demonstrates that NEP continues to maintain a
3 sufficient balance of total capitalizable plant against which to issue the debt securities and
4 the purpose of the issuances continues to serve a legitimate utility purpose. The purpose
5 of the proposed financing is to accomplish one or more of the following: (i) to refinance
6 short-term debt with long-term debt; (ii) to finance NEP's capital needs; (iii) for
7 construction of utility plant and properties; (iv) for reimbursement of the treasury; (v) to
8 fund maturing debt and (vi) other general corporate purposes, including but not limited to
9 the restructuring of NEP's capitalization and consisting of taxable bonds, medium or
10 long-term notes, debentures, revolving credit loans, and term or bank loans and similar
11 securities (the "New Debt").

12
13 NEP also seeks Department authorization to enter into evidences of indebtedness and
14 related instruments in connection with the New Debt, including, but not limited to loan
15 agreements, indentures, supplemental indentures, promissory notes, debentures, credit
16 agreements, participation agreements, underwriting or similar agreements, bond purchase
17 agreements, remarketing agreements, and security agreements (the "Instrument"). The
18 terms of each Instrument will be substantially similar to the terms for comparable
19 transactions available in the credit market, at the time of New Debt issuance, to
20 companies having a credit rating substantially equivalent to NEP's credit rating.

21

1 The Department has consistently found such uses and evidences of indebtedness to serve
2 “legitimate utility purposes” that qualify as reasonably necessary under the statute. See
3 e.g., Massachusetts Electric Company, D.P.U. 15-144 (April 2016); Boston Edison
4 Company, D.T.E. 03-129 at 14-15 (2004).

5 **Q. Are you familiar with Exhibit CVD-2, Comparison of Net Utility Plant to Adjusted**
6 **Total Capitalization?**

7
8 A. Yes, I am.

9 **Q. What does Exhibit CVD-2 show?**

10 A. This exhibit represents the method of determining NEP’s excess net plant balances over
11 the amount of long-term securities outstanding. This exhibit shows that as of March 31,
12 2016 NEP has a sufficient balance of total capitalizable plant against which to issue up to
13 approximately \$987 million of debt securities. Therefore, NEP’s net plant balance more
14 than covers the request to issue up to \$800 million in this proceeding.

15 **Q. NEP is seeking authorization to issue up to \$800 million of debt securities from time**
16 **to time in order to satisfy its financing needs. Can you please describe these**
17 **financing needs?**

18
19 A. NEP needs to issue the New Debt to refinance short-term debt with long-term debt,
20 finance future capital expenditures, fund maturing debt obligations and for other proper
21 corporate purposes, including, but not limited to, restructuring NEP’s capitalization and
22 the payment of dividends in connection therewith.

23

24 **Q. Are there other factors driving the request for long-term financing authority?**

1 A. Yes. NEP is seeking authorization to issue long-term debt in order to meet the need to
2 finance investments in new utility plant. Specifically, NEP's annual capital spending is
3 anticipated to range from approximately \$160 million in the fiscal year ending March 31,
4 2017, to as much as \$200 million annually through March 31, 2021. Further, NEP needs
5 to fund approximately \$80 million of bonds that are due to mature March 1, 2018, and
6 \$187 million of bonds that are due to mature November 1, 2020.

7 **Q. NEP's request contemplates the issuance of up to \$800 million of New Debt securities**
8 **from time to time in order to satisfy its projected financing needs. Could you please**
9 **describe on what basis this amount was determined?**

10
11 A. NEP made that determination by taking into account the financing needs to fund its future
12 capital expenditures and maturing long-term debt as well as restructuring its capitalization.
13 Specifically, NEP is seeking approval to issue up to \$800 million to ensure that it has
14 adequate flexibility to refinance short-term debt with long-term debt, finance its capital
15 needs, align its capital structure and accomplish other general corporate purposes. NEP's
16 requested borrowing authority provides for flexibility to address financing needs under a
17 reasonable range of potential scenarios (e.g., higher than presently anticipated capital
18 investment needs) during the borrowing authorization period.

19
20 **Q. What ratings have been assigned to NEP's outstanding senior unsecured long-term**
21 **debt by the major rating agencies?**

22 A. NEP's outstanding senior unsecured long-term debt is rated A3 by Moody's and A- by
23 Standard and Poor's.

1 **Q. Please describe the approximate current market for long-term debt securities for**
2 **NEP or similarly rated companies.**

3 A. The current interest rate for 30-year “A” rated utility bonds is around 4 percent. The
4 yield history from January 1, 2010 through July 14, 2016 for long-term debt issues for
5 utilities with similar ratings is provided in Exhibit CVD-3. Since January 1, 2010, the
6 yield on long-term debt has varied between 3.4 to 6 percent.

7 **Q. What is the maximum interest rate that NEP proposes at this time?**

8 A. The interest rate payable on the New Debt will vary depending on market conditions at the
9 time of issuance. Based on a review of historical rates over the past few years, as well as
10 future market expectations, it can be reasonably assumed that the maximum interest rate
11 will be 7 percent for a 30-year bond.

12 **Q. Please discuss how the proposed maximum interest rate of 7 percent is reasonable in**
13 **light of the current and anticipated market conditions.**

14
15 A. Historical yields have been graphed in Exhibit CVD-3 showing that the average yield for
16 “A” rated utilities 30-year bonds reached a maximum of 6 percent over the past 5 years.
17 While 30-year Treasury bonds are yielding less than 2.5 percent in current market
18 conditions, it is expected that this yield will increase over the coming years as the Federal
19 Reserve continues to normalize its monetary policy and to raise its benchmark interest rate.
20 The credit spread for “A” rated utilities is a reasonable proxy for NEP and therefore
21 Exhibit CVD-3 provides a reliable historical estimate of the interest rate. Looking back
22 over the past 15 years, the maximum increase in “A” rated utilities 30-year bond yields in a
23 single year has been approximately 200 basis points. Recent analysts’ forecasts of 30-year

1 Treasury yields covering the timeframe for which the Company requests long-term
2 borrowing authority range as high as 5.4 percent, while the most recently realized credit
3 spread to 30-year Treasuries realized by one of NEP's affiliates was 170 basis points.
4 Taken together, the present utility bond yields, the Federal Reserve's anticipated near-term
5 action to increase interest rates, the historical rate of increase in utility bond yields, recent
6 analyst interest rate forecasts, and comparable credit spreads support a maximum interest
7 rate of 7 percent for the New Debt.

8 **Q. Would you please describe in more detail the types of Long-Term Debt securities**
9 **NEP may enter into pursuant to this financing request?**

10 A. NEP proposes to issue long-term debt instruments with a maturity greater than 1 year and
11 not to exceed 30 years from the date of issuance. The securities would carry either a fixed
12 interest rate not to exceed the rate established by the Department or an adjustable rate,
13 which will vary with a market index to be designated at the time of issuance but not to
14 exceed the maximum rate of 7 percent. The New Debt may be issued internally to an
15 affiliate or through third parties, in public offerings, private offerings, or private
16 placements, and with or without investment bankers.

17 **Q. If and when NEP determines to issue and sell Long-Term Debt securities, how would**
18 **it plan to market the Long-Term Debt?**

19
20 A. Depending on the type of New Debt security proposed to be issued, such New Debt
21 securities would be sold from time to time in light of NEP's cash requirements and
22 market conditions. These securities may be sold in one or more offerings through one or
23 more of the following methods: competitive bidding; negotiation with underwriters;

1 negotiation directly with investors, through one or more agents; to one or more agents as
2 principal for resale to investors, in private or public offerings; or in connection with the
3 establishment of loan facilities with a bank or syndicate of banks. NEP is requesting an
4 exemption from the public auction provisions contained in M.G.L. c. 164, § 15 in order to
5 provide NEP with a level of flexibility when it moves to issue New Debt. The benefits of
6 a competitive solicitation process for customers can be duplicated through the negotiated
7 public offering process without the additional cost and time associated with a competitive
8 solicitation process. Negotiated transactions benefit customers and are more appropriate
9 than competitive bid transactions, especially during periods of fluctuating securities
10 markets.

11
12 In addition, because underwriters may wish to receive their compensation as a discount
13 from face value of such New Debt, NEP is requesting an exemption from the provisions
14 of M.G.L. c. 164, § 15 so that such New Debt may be issued at less than face value.
15 Issuing debt securities below par value offers a company enhanced flexibility in entering
16 the market quickly to take advantage of prevailing market rates. Each issue of such New
17 Debt will be sold at a price not less than 95 percent or more than 100 percent of its
18 principal amount.

19 **Q. Please describe the offering options available to NEP.**

20 A. The most common platforms for issuance are through SEC-registered public offerings,
21 '144A' private offerings or the 4(2) private placement market. SEC-registered

1 transactions reach a wide investor base but reports are required to be filed with the SEC
2 on a periodic basis. 144A transactions are sold to Qualified Institutional Buyers, and so
3 do not require any reporting to the SEC. While transactions can be issued secured against
4 particular assets, NEP only proposes to issue debt on an unsecured basis. Revolving
5 credit loans, term loans and banks loans are all potential offering options and could be
6 specifically tailored to NEP's needs. In addition, NEP could secure New Debt internally
7 from an affiliate.

8 **Q. Please describe the offering options NEP is considering and its advantages.**

9 A. NEP is not subject to SEC periodic reporting, which makes 144A transactions a cost-
10 effective approach with relative ease of execution. A 144A transaction involves stand-
11 alone documentation that would enable NEP to issue bonds to qualified investors. An
12 alternative approach with similar ease of execution that also avoids some of the costs
13 associated with external debt issuances is issuance of debt internally to an affiliate. NEP
14 currently has \$371.85 million of tax exempt bonds outstanding that are due to mature
15 between 2018 and 2022. Tax-exempt debt typically has lower interest expense than
16 taxable debt; however, there are high issuance costs and continued compliance
17 obligations associated with tax-exempt debt.

18
19 NEP will always assess the various options at the time of planned issuance to ensure that
20 the best value is achieved, whether that is issuing via the debt capital markets, internally
21 to an affiliate, or through bank loans.

1 **Q. Please describe Exhibit CVD-4.**

2 A. Exhibit CVD-4 sets forth the vote taken by the Board of Directors by written consent on
3 September 30 2016, without a meeting, relating to this application.

4 **Q. Is this vote appearing in Exhibit CVD-4 an accurate copy of the original vote that**
5 **appears in NEP's records of the minutes of the meetings of the Board of Directors?**

6
7 A. Yes, it is.

8 **Q. Has NEP estimated the costs associated with issuing New Debt?**

9 A. The current estimate of the costs and expenses of issuing New Debt is indicated on
10 Exhibit CVD-5; however, this is an estimate only and the actual costs and expenses may
11 differ from this estimate. NEP requests that the actual costs and expenses of issuing New
12 Debt be deferred and amortized over the life of the New Debt.

13 **Q. Mr. DeRosa, in view of your detailed knowledge of NEP and its finances, is it your**
14 **opinion that the proposed Long-Term Debt securities not to exceed \$800 million are**
15 **reasonably necessary for the purposes which you have stated and are in the public**
16 **interest?**

17 A. Yes, it is.

18 **Q. Does this conclude your testimony?**

19 A. Yes, it does.

CHARLES V. DEROSA CPA

2712 RAY PLACE, NORTH BELLMORE, NEW YORK 11710

www.linkedin.com/pub/charles-derosa/b/925/189 | (917) 763-7509 | charles.derosa.usa@gmail.com

PROFESSIONAL EXPERIENCE

NATIONAL GRID (NGG), Brooklyn, NY 2008 – Present

One of the world's largest investor owned utilities focused on transmission and distribution of electricity and natural gas in both the United Kingdom and the United States.

Vice President and Treasurer, National Grid USA 2015 – Present

Responsible for all treasury related activities for National Grid USA including debt capital market, cash management, investment management and risk management. Organization has \$22 billion of outstanding debt and \$28 billion of annual cash throughput.

Chief Accounting Officer and Vice President Controller, National Grid USA 2013 – 2015

Responsible for all accounting activities for National Grid USA including financial reporting, regulatory reporting, controllership, compliance, and involvement in financial management. Manage a staff of 200+ employees in multiple locations. Organization is responsible for issuing 140+ financial statements to regulators and investors under US GAAP, IFRS, and other bases of accounting.

Vice President Tax, National Grid USA 2008 – 2013

Responsible for all tax activities for National Grid USA, including audit management and controversy resolution, liaising with Government Affairs, research and planning, accounting, financial reporting, regulatory reporting, forecasting, and compliance..

Committees

Member of Investment and Benefits Committee member, overseeing management of \$11 billion in pension and other post-retirement assets, plan administration matters, and employee hardship claims.

AMERICAN INTERNATIONAL GROUP (AIG), New York, NY 2001 – 2008

One of the world's largest multinational insurance companies with more than 88 million customers in 130 countries.

Various Global Tax Leadership Roles

Responsible for a multitude of global corporate tax activities including execution of global tax planning involving outbound investments, repatriation, foreign tax credit utilization, alternative minimum tax, and varied financial products. Oversaw worldwide effective tax rate, worldwide income tax provision and reserve levels, and permanent reinvestment assertions. Also responsible for tax information reported in SEC filings, relationship with independent auditors, and US federal and state compliance involving in excess of 1,200 entities. Led global income tax remediation effort requiring regular executive reporting.

RELIANCE / NORTH FORK BANCORPORATION (acquired by Capital One), Melville, NY 1997 - 2001

Vice President Tax and Special Projects

Responsible for all aspects of the tax function and select finance projects. Key member of acquisition and integration team for merger. Successfully eliminated excise taxes and related gross-up payments associated with golden parachute payments

Committees

Member of the Special Assets and Commercial Loan Committees.

KPMG, New York, NY, Staff to Senior Manager 1991 – 1997

EDUCATION, CERTIFICATION, AND AWARDS

Master of Science, Taxation, LONG ISLAND UNIVERSITY, Brookville, New York, 1996

Bachelor of Science, Accounting, cum laude graduate, LONG ISLAND UNIVERSITY, Brookville, New York, 1991

Certified Public Accountant, New York, 1994

Big Apple Statesman Award, NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS, New York, 2016

H O

New England Power Company d/b/a National Grid

Net Plant Test

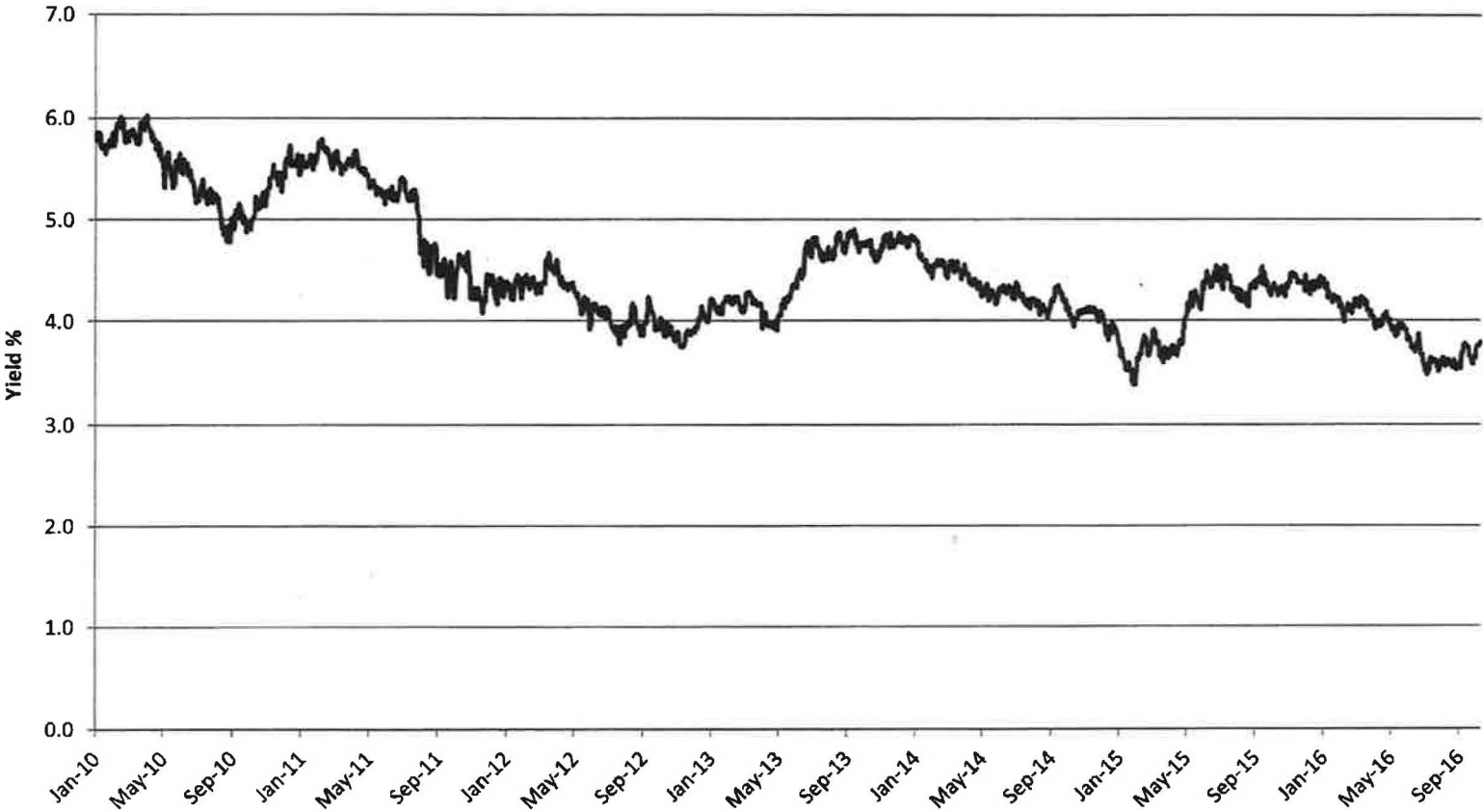
(\$000)

<u>Property, Plant and Investments</u>	<u>As of</u> <u>March 31, 2016</u>	<u>Net Plant Test</u> <u>Adjustments</u>	<u>As Adjusted</u>
Utility Plant In-Service	2,700,067	(363,832) (A) and (B)	2,336,235
Less Accumulated Depreciation	456,477	(18,271) (A)	438,206
Subtotal Net Utility Plant	2,243,590		1,898,029
Construction Work in Progress	204,319	(204,319)	-
Total Net Utility Plant	2,447,910		1,898,029
 <u>Capitalization</u>			
<u>Common Equity</u>			
Common Stock	72,398		72,398
Premium on Capital Stock	-		-
Other Paid-In Capital	802,510	(337,614) (A)	464,896
Retained Earnings	162,416	(162,416)	-
Accum. Other Comprehensive Income	943	(943)	-
Total Common Equity	1,038,266		537,294
Preferred Stock	1,112		1,112
Long-Term Debt	371,850		371,850
Total Capitalization	1,411,228		910,255
Excess of Net Utility Plant over Total Capitalization after Adjustments			987,774

(A) Removal of Goodwill

(B) Removal of Plant Held for Future Use

Historical Movement in 30-Year A-Rated (Moody's) Utility Yields^{H.O.:}
January 1, 2010 through October 12, 2016



NEW ENGLAND POWER COMPANY

**WRITTEN CONSENT IN LIEU OF
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

As of September 30, 2016


The undersigned, being all of the members of the Board of Directors of New England Power Company, a Massachusetts corporation (the "*Company*"), hereby take, pursuant to Section 59 of the Business Corporation Law of Massachusetts, M.G.L. c. 156B, §59, the following actions by written consent without a meeting, which actions shall have the same force and effect as if duly adopted at a meeting:

Financing Applications/Petitions

VOTED: That the officers of this Company are severally authorized, in the name and on behalf of this Company, to file with each of the Massachusetts Department of Public Utilities, the New Hampshire Public Utilities Commission and the Vermont Public Service Board, an application or petition, as applicable, relating to the issue and sale of not exceeding \$800 million aggregate principal amount of debt securities to be issued from time to time during such period as may be contemplated in each such application or petition, and to take such further action in connection with each such application and petition as the officer or officers so acting may deem necessary, desirable or appropriate.

VOTED: That the officers of this Company are severally authorized to take all such steps, and to execute all such papers, as to the officer or officers so acting seems advisable to carry out the purposes of the foregoing vote, the execution and delivery of which, or taking of any such action, to be conclusive evidence of such officer's authority hereunder.

The undersigned further direct that this Consent shall take effect immediately as of the date first above written and shall be filed in the minute book of the Company with the minutes of the meetings of the Board of Directors.


Rudolph L. Wynter

James G. Holodak

Frederick Raymond

Dennis Urban

NEW ENGLAND POWER COMPANY

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SPECIAL MEETING OF THE BOARD OF DIRECTORS**

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James G. Holodak

Frederick Raymond

Dennis Urban

NEW ENGLAND POWER COMPANY

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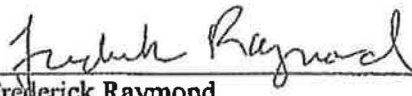
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Rudolph L. Wynter

James G. Holodak



Frederick Raymond

Dennis Urban

H.O.: _____

NEW ENGLAND POWER COMPANY

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SPECIAL MEETING OF THE BOARD OF DIRECTORS**

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Rudolph L. Wynter

James G. Holodak

Frederick Raymond

Dennis Urban
Dennis Urban

Estimated Expenses of Issue for New England Power Company Debt Expressed as a Percentage of Principal

Maturity in years	2	3	5	7	10	20	30
Underwriting Commissions	0.200%	0.250%	0.350%	0.400%	0.450%	0.750%	0.875%
Other Issuance Expenses*	0.060%	0.060%	0.060%	0.060%	0.060%	0.060%	0.060%
Total Issuance Expenses	0.260%	0.310%	0.410%	0.460%	0.510%	0.810%	0.935%

* Other issuance expenses are usually approximately \$0.3 million per issue. This equates to 0.06% for a principal amount of \$500 million, but this proportion would rise for smaller issuances.

New England Power Company
d/b/a National Grid
DE 16-____
November 3, 2016

ATTACHMENT B

**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

New England Power Company
d/b/a National Grid
DE 16-_____

EXPLANATORY NOTES

The New England Power Company financing request is for authority spanning a multi-year period. The following exhibits are not meant to be a forecast but simply to pro form March 31, 2016 actuals and illustrate the full impact of an immediate \$800 million bond issuance.

Key assumptions for Pro Forma financials

- 1 New England Power Company is requesting authority to issue up to \$800 million during the authorization period and will likely execute bond offerings periodically during that time. However, the attached exhibits have been pro formed with a one-time immediate issuance for \$800 million and an equity contribution from its parent for \$250 million.
- 2 Maturity (in years) 30
- 3 Debt amount \$800 million
- 4 Issuance costs \$7.48 million
- 5 Equity contributed from parent \$250 million
- 6 Proceeds

Repayment of STD	\$569 million
Hold for repayment of maturing bonds over 5 years	\$266 million
Hold for funding capital expenditure needs for 5 years	\$215 million
- 7 New debt rate 3.850%

Footnotes

	<i>(in thousands of dollars)</i>	
	<u>Debit</u>	<u>Credit</u>
a) Debit Account 131 - Cash	792,520	
Debit Account 181 - Unamortized Debt Expense	7,480	
Credit Account 221 - Bonds		800,000
To record the issuance of the new series of Debt Securities and the associated costs of issuance		
b) Debit Account 428 - Amortization of Debt Discount and Expense	249	
Credit Account 181 - Unamortized Debt Expense		249
To record the annual amortization of the costs associated with the issuance of the new series of Debt Securities		
c) Debit Account 427 - Interest Expense LTD	30,800	
Credit Account 131 - Cash		30,800
To record increase in interest expense associated with long-term debt issues		
d) Debit Account 131- Cash	12,420	
Credit Account 409 - Income Taxes		12,420
To record the tax deductibility of incremental interest and amortization expense of new debt		
e) Debit Account 233 - Intercompany Money Pool	568,807	
Credit Account 131 - Cash		568,807
To record the repayment of short term money pool borrowing		
f) Debit Account 131 - Cash	1,593	
Credit Account 427 - Interest expense		1,593
To record the reduction in short term interest expense from repayment of STD (0.28%)		
g) Debit Account 409 - Income taxes	637	
Credit Account 131 -Cash		637
To record the tax impact of repayment of STD		
h) Debit Account 131 - Cash	250,000	
Credit Account 208 - Other Paid-In Capital		250,000
To record the equity contribution from parent		
i) Debit Account 131 - Cash		17,674
Credit Account 215 - Retained Earnings	17,674	
To record the change to retained earnings for effect of change to net income		

**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

New England Power Company
d/b/a National Grid
CVD-6
PUC 308.12(b)(2)
DE 16-_____

UTILITY NAME New England Power Company

ESTIMATED COST OF FINANCING

Proposed Debt/Security Issue

(in thousands of dollars)

Issue Amount	\$	800,000
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<u>Estimated Cost of Financing</u>	<u>Amount</u>
---	---------------

Issuance Costs:

Underwriting Commissions (0.875%)	\$	7,000
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Other Issuance Expenses (0.06%)	\$	480
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Total Issuance Costs:	\$	7,480
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Total Estimated Costs	\$	7,480
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**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

UTILITY NAME New England Power Company
STATEMENTS OF CASH FLOWS TWELVE MONTHS ENDED March 31, 2016
Proposed Debt/Security Issue

(in thousands of dollars)

	Twelve Months Ended 31-Mar-16	Adjustments	Pro Forma
Operating activities:			
Net income	83,583	i (17,674)	65,909
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	51,242		51,242
Provision for deferred income taxes	63,668		63,668
Income from equity investments, net of dividends received	(94)		(94)
Allowance for equity funds used during construction	235		235
Net postretirement benefits (contributions) expense	(5,025)		(5,025)
Changes in operating assets and liabilities:			0
Accounts receivable and other receivable, net, and unbilled revenues	2,962		2,962
Inventory	(1,904)		(1,904)
Regulatory assets and liabilities, net	(59,716)		(59,716)
Prepaid and accrued taxes	(42,404)		(42,404)
Accounts payable and other liabilities	15,332		15,332
Accrued Yankee nuclear plant costs	2,315		2,315
Other, net	(3,513)	a (7,480)	(10,993)
Net cash provided by operating activities	106,681		81,527
Investing activities:			
Capital expenditures	(191,865)		(191,865)
Affiliated money pool investing and receivables/payables, net	-		0
Cost of removal and other	(14,178)		(14,178)
Net cash (used in) provided by investing activities	(206,043)		(206,043)
Financing activities:			
Common stock dividends to Parent	(180,000)		(180,000)
Preferred stock dividends	(67)		(67)
Payments on long-term debt	(38,500)	a 800,000	761,500
Affiliated money pool borrowing and receivables/payables, net	277,867	e (568,807)	(290,940)
Advance from affiliate	-		0
Equity infusion from Parent	-	h 250,000	250,000
Parent loss tax allocation	38,522		38,522
Net cash provided by (used in) financing activities	97,822		579,015
Net (decrease) increase in cash and cash equivalents	(1,540)		454,499
Cash and cash equivalents, beginning of period	1,541		1,541
Cash and cash equivalents, end of period	1		456,040

Note: The statement above is not meant to be a forecast but simply to pro form March 31, 2016 actuals and illustrate the full impact of an immediate \$800 million bond offering

**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

New England Power Company
d/b/a National Grid
CVD-8
PUC 308.12 (b)(3)
DE 16-_____

UTILITY NAME New England Power Company

**BALANCE SHEET AS OF March 31, 2016
Proformed for Proposed Debt/Security Issue**

(in thousands of dollars)

	<u>Bal. as of 31-Mar-16</u>		<u>Adjustments</u>	<u>Pro Forma</u>
ASSETS				
Current Assets				
Cash and cash equivalents	1	a, b, c, d, e, f, g, h	456,039	456,040
Accounts receivable	64,697			64,697
Accounts receivable from affiliates	26,089			26,089
Inventory	4,435			4,435
Prepaid taxes	2,930			2,930
Other	44			44
Total Current Assets	<u>98,196</u>			<u>554,235</u>
Equity investments	2,089			2,089
Property, plant, and equipment, net (includes Goodwill)	2,453,009			2,453,009
Other non-current assets:				
Regulatory assets	153,419			153,419
Accumulated deferred income tax assets	78,531			78,531
Other	18,167	a	7,480	25,647
Total other non-current assets	<u>250,117</u>			<u>257,597</u>
Total assets	<u>2,803,411</u>			<u>3,266,930</u>
LIABILITIES AND CAPITALIZATION				
Current liabilities:				
Accounts payable	36,392			36,392
Accounts payable to affiliates	34,835			34,835
Current portion of long-term debt	0			0
Taxes accrued	2,089			2,089
Intercompany money pool	568,807	e	(568,807)	0
Current portion of deferred income tax liabilities, net	0			0
Other	25,353			25,353
Total current liabilities	<u>667,476</u>			<u>98,669</u>
Other non-current liabilities:				
Regulatory liabilities	55,557			55,557
Accrued Yankee nuclear plant costs	29,364			29,364
Deferred income tax liabilities, net	603,799			603,799
Postretirement benefits	12,613			12,613
Environmental remediation costs	10,023			10,023
Other	13,351			13,351
Total other non-current liabilities	<u>724,707</u>			<u>724,707</u>
Capitalization:				
Shareholders' equity	1,039,378	h, i	232,326	1,271,704
Long-term debt	371,850	a	800,000	1,171,850
Total capitalization	<u>1,411,228</u>			<u>2,443,554</u>
Total liabilities and capitalization	2,803,411			3,266,930

Note: The above statement is not meant to be a forecast but simply to pro form March 31, 2016 actuals and illustrate the full impact of an immediate \$800 million bond offering

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES

UTILITY NAME New England Power Company

INCOME STATEMENT FOR 12 MONTHS ENDED MARCH 31, 2016
Proformed for Proposed Debt/Security Issue

(in thousands of dollars)

	Bal. as of 31-Mar-16		Adjustments	Pro Forma
Operating Revenues	425,128			425,128
Operating Expenses:				
Gas Purchased and Production	0			0
Operations and Maintenance	175,233			175,233
Depreciation, Depletion and Amortization	50,411			50,411
Operating Taxes	44,520			44,520
Total Operating Expense	270,164		0	270,164
Operating Income	154,964			154,964
Other Income:				
Other Income/(Deductions) - Net	(1,656)			(1,656)
AFUDC - Equity	(235)			(235)
Total Other Income	(1,891)		0	(1,891)
Earnings Before Interest and Taxes	153,073		0	153,073
Interest Charges:				
Interest - LTD (incl Amort. of Debt Disc. & Expense and Amort. of Loss on Reacquired Debt)	2,520	b, c, f	29,457	31,977
Other Interest	11,319			11,319
AFUDC - Debt	(717)			(717)
Total Interest Charges	13,122		29,457	42,579
Earnings before Taxes	139,951		(29,457)	110,494
Income Tax:				
Current Income Taxes				
State and Local	243	b, c, d, f, g (5%)	1,473	1,716
Federal	6,885	b, c, d, f, g (35%)	10,310	16,995
Total Current Income Taxes	6,928		11,783	18,711
Deferred Taxes				
State and Local	(9,339)			(9,339)
Federal	(53,957)			(53,957)
Total Deferred Taxes	(63,296)		0	(63,296)
Total Income Tax	(56,368)		11,783	(44,585)
Net Income After Tax	83,583		(17,674)	65,909

Note: The statement above is not meant to be a forecast but simply to pro form March 31, 2016 actuals and illustrate the full impact of an immediate \$800 million bond offering

**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

New England Power Company
d/b/a National Grid
CVD-10
PUC 308.12 (b)(5)
DE 16-_____

UTILITY NAME New England Power Company

**STATEMENT OF CAPITALIZATION RATIOS
Proformed for Proposed Debt/Security Issue**

(in thousands of dollars)

	Amount as of 31-Mar-16	% of Total	Adjustments	Pro Forma Amount	% of Total
Common Stock	72,398			72,398	
Premium on Capital Stock	0			0	
Other Paid-in Capital	802,509		250,000	1,052,509	
Retained Earnings	162,416		(17,674)	144,742	
Accumulated Other Comprehensive Income	943			943	
Total Equity (excl Preferred Stock)	1,038,266			1,270,592	
Goodwill	337,614			337,614	
Total Equity (excl Goodwill)	700,652	43%		932,978	44%
Total Equity (excl Goodwill and STD)	700,652	65%		932,978	44%
Preferred Stock	1,112			1,112	
Long Term Debt	371,850		800,000	1,171,850	
Short Term Debt	568,807		(568,807)	0	
Total Debt (incl STD)	941,769	57%		1,172,962	56%
Total Debt (excl STD)	372,962	35%		1,172,962	56%
Total Capitalization (excl Goodwill)	1,642,421			2,105,940	
Total Capitalization (excl Goodwill & STD)	1,073,614			2,105,940	

Note: The statement above is not meant to be a forecast but simply to pro form March 31, 2016 actuals and illustrate the full impact of an immediate \$800 million bond offering

**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES**

New England Power Company
d/b/a National Grid
CVD-11
PUC 308.12 (b)(5)
DE 16-

UTILITY NAME New England Power Company

**Weighted Average Cost of Debt
Current & Pro Forma at March 31, 2016
(\$000)**

EXISTING DEBT

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description of Debt, Interest Rate, Maturity date	Term (Yrs)	Issuance Date	Amount Issued @ Face Value	Amount Outstanding @ Face Value	Total Issuance Expense	Unamortized Issuance Exp.	[(e)-(g)] Net Proceeds Outstanding	Amortization of Issuance Exp.	Annual Interest	Annual Cost	[(k)/(h)] Weighted Average Cost Rate
Short Term Debt:			568,807	568,807		0	568,807	0	2,692	2,692	0.47%
Total Short Term Debt			568,807	568,807	0	0	568,807	0	2,692	2,692	0.47%
Long Term Debt:											
NEP CDA (K)			38,500	0		0	-		90	90	
NEP MIFA 1 (X)			79,250	79,250		0	79,250		338	338	
NEP BFA 1 (R)			135,850	135,850		0	135,850		616	616	
NEP BFA 2 (S)			50,600	50,600		0	50,600		233	233	
NEP MIFA 2 (V)			106,150	106,150		0	106,150		412	412	
						1,441	(1,441)	749	-	749	
Total Long Term Debt			410,350	371,850	0	1,441	370,409	749	1,689	2,438	0.66%

PRO FORMA DEBT

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description of Debt, Interest Rate, Maturity date	Term (Yrs)	Issuance Date	Amount Issued @ Face Value	Amount Outstanding @ Face Value	Total Issuance Expense	Unamortized Issuance Exp.	[(e)-(g)] Net Proceeds Outstanding	Amortization of Issuance Exp.	Annual Interest	Annual Cost	[(k)/(h)] Weighted Average Cost Rate
Short Term Debt:											
Total Short Term Debt			0	0	0	0	0	0	0	0	0.00%
Long Term Debt:											
New Debt			800,000	800,000	7,480	7,480	792,520	249	30,800	31,049	3.92%
Total Long Term Debt			800,000	800,000	7,480	7,480	792,520	249	30,800	31,049	3.92%

WEIGHTED AVERAGE COST OF CAPITAL

	Actual				Adjustment Amount	Pro Forma				
	Amount	Percent of Total	Cost Rate	Weighted Cost Rate		Amount	Percent of Total	Cost Rate	Weighted Cost Rate	
Short Term Debt	568,807	28.75%	0.47%	0.14%	(568,807)	0	0.00%	0.00%	0.00%	0.00%
Long Term Debt (incl reduction for Unamort. Issuance Exp.)	370,409	18.72%	0.66%	0.12%	792,520	1,182,920	47.77%	2.83%	1.35%	1.35%
Common Equity	1,039,378	52.53%	10.57%	5.55%	232,326	1,271,704	52.23%	10.57%	5.52%	5.52%
Total	1,978,594			5.81%	456,039	2,434,633			6.87%	6.87%

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**NEW ENGLAND POWER COMPANY
DE 16-**

PETITION FOR AUTHORITY TO ISSUE LONG TERM DEBT SECURITIES

Affidavit of Charles V. DeRosa

I Charles V. DeRosa, being first duly sworn, hereby depose and state as follows:

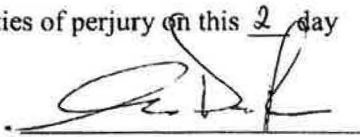
I am the Vice President and Treasurer of New England Power Company (the
"Company").

I am personally familiar with the testimony and exhibits submitted to the Massachusetts
Department of Public Utilities in Docket No. 16-171, which have been attached to New England
Power's Petition to Issue Long Term Debt filed with the New Hampshire Public Utilities
Commission.

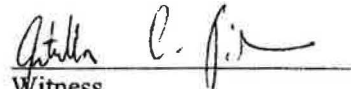
By this affidavit, I affirm and adopt my testimony filed in Massachusetts in support of
New England Power's Petition to Issue Long Term Debt filed with the New Hampshire Public
Utilities Commission.

I further certify, pursuant to Puc 308.12(d), and as an officer of the Company, that the
Company believes and, therefore, alleges that the securities to be issued will be consistent with
the public good and that it is entitled to issue said securities under RSA 369 for the purposes set
forth in its petition.

Subscribed and sworn to by me under the pains and penalties of perjury on this 2 day
of November, 2016.


Charles V. DeRosa

Date: 11/2/16


Witness