

New Hampshire Public Utilities Commission Exhibits

Attachment A

Application to the Massachusetts Department of Public Utilities

Exhibit JC-1: Pre-Filed Direct Testimony of Jonathan Cohen

Exhibit JC-2: Comparison of Net Utility Plant to Adjusted Total Capitalization

Exhibit JC-3: Interest Rates Exhibit

Exhibit JC-4: Certificate Regarding Board of Directors Consent Authorizing Petition

Exhibit JC-5: Estimated Expense of Issue

Attachment B

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

Exhibit JC-6: Estimated Cost of Financing

Exhibit JC-7: Source and Use of Funds

Exhibit JC-8: Balance Sheet

Exhibit JC-9: Income Statement

Exhibit JC-10: Statement of Capitalization Ratios

Exhibit JC-11: Weighted Average Cost of Debt – Current and Pro Formas

Exhibit JC-12: Affidavit and Certification

ATTACHMENT A

Application of New England Power Company, d/b/a/ National Grid to the Massachusetts Department of Public Utilities for approval of the issuance of long-term debt, and Exhibits JC-1 through -5 thereto.

Via Electronic Mail

June 1, 2020

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
D.P.U. 20-62

Dear Secretary Marini:

On behalf of New England Power Company d/b/a National Grid (“National Grid” or the “Company”), enclosed please find the Company’s application for authorization and approval of the issuance of long-term debt in an amount not to exceed \$1.1 billion. Also enclosed herewith is the testimony of Jonathan Cohen, Director of Treasury Business Partnering for National Grid USA Service Company, Inc., and exhibits thereto, as well as Mr. Cohen’s affidavit, appearance of counsel; and a certificate of service. The check for the filing fee will be delivered when the Department’s offices open and resume acceptance of deliveries.

The Company respectfully requests expedited review of the Application, with an order on or before September 1, 2020.

Please contact me with any questions. Thank you for your attention to this matter.

Very truly yours,



Meabh Purcell

Enclosures

cc: Shane Early, General Counsel, Department of Public Utilities
Emily Luksha, Director, Rates and Revenue Division, Department of Public Utilities
Rebecca Tepper, Office of the Attorney General

**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) D.P.U. 20-62
Long-Term Debt)
_____)

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.

Respectfully submitted,



Meabh Purcell, Esq.
Assistant General Counsel
National Grid
40 Sylvan Road
Waltham, MA 02451
Phone: (781) 907-1789
Email: Meabh.Purcell@nationalgrid.com

Dated: June 1, 2020

THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

New England Power Company, d/b/a National Grid)
Application for Authority to issue Long-Term Debt)
Securities)

D.P.U. 20-62

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”), pursuant to G.L. c. 164 §§ 14, 15, 15A and 16 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 \$1.1 billion. For the reasons set forth below, the Company respectfully requests that the Department act on this Application as expeditiously as possible and issue a final order by September 1, 2020. In support of its request, the Company states as follows:

1. NEP is a Massachusetts corporation and 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. In addition to this Application, the Company is submitting the following exhibits:

Exhibit JC-1	Direct Testimony of Jonathan Cohen
Exhibit JC-2	Comparison of Net Utility Plant to Adjusted Total Capitalization
Exhibit JC-3	Interest Rates Exhibit
Exhibit JC-4	Clerk’s Certificate of Regarding Board of Directors Consent Authorizing Application
Exhibit JC-5	Estimated Expenses of Issue

3. The capitalization of the Company at December 31, 2019, was:

Common equity:	\$1,506.40	million
Preferred Stock:	\$1.11	million
Long-term debt:	\$506.15	million
Long-term debt due within one year:	\$186.45	million
Short-term debt to affiliates:	\$133.09	million
Other short-term debt:	\$0.00	million
Total capitalization (excl. short-term debt):	\$2,200.11	million

All of NEP’s 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
\$135.85 million	November 1, 2020	1.23%	December 4, 1990
\$50.60 million	November 1, 2020	1.35%	December 4, 1990
\$106.15 million	October 1, 2022	1.20%	October 20, 1992
\$400 million	December 5, 2047	3.80%	December 5, 2017
\$100 million	March 31, 2022	1.45%	March 31, 2020

4. 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 \$1.1 billion outstanding (the “New Debt”). 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 that may consist of taxable bonds, medium or long-term notes, debentures, revolving credit loans, and term or bank loans and similar securities, 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.

5. 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. In addition, the Company is requesting authorization to issue green bonds. These bonds have the same characteristics as traditional bonds, but the use of proceeds would be for eligible green projects, including the Company’s capital investment that is deemed to have positive environmental benefits. As such, these projects are already captured in 4(a)(ii) and 4(a)(iii). 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

144A transactions under the Securities Act of 1933 (17 C.F.R. 230.144A), and with or without investment bankers.

6. Because of volatility in the debt markets, it is in the public interest that the Company be granted an exemption from the competitive bidding requirements of Section 15 and Section 15A of Chapter 164 of the General Laws to permit the Company to select purchasers of the New Debt 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.

7. It is in the public interest for the Company to have 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.

8. 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 the New Debt may be issued at less than face value.

9. Exhibit JC-5 contains the Company's current estimate of the costs and expenses of issuing New Debt. As 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.

10. As shown in Exhibit JC-2, the Company's total net utility plant excluding construction work in progress at December 31, 2019, pro forma through September 30, 2020 was approximately \$2.7 billion. The Company's net utility plant excluding construction work in progress exceeded its adjusted total capitalization by over \$1.1 billion, excluding goodwill impacts.

11. The Company's Board of Directors authorized this application by written consent as demonstrated by Exhibit JC-4.

12. The Company respectfully requests expedited review of its application for authorization to issue long-term debt securities, as it may be advantageous to issue new debt sooner than anticipated due to the impact of COVID-19 on markets. It is vital that the Company has access to the capital markets, allowing it to adjust to the changing environment. Accordingly, the Company respectfully requests that the Department act on this Application as expeditiously as possible and issue a final order by September 1, 2020

WHEREFORE, the Company respectfully requests 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 \$1.1 billion 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 \$1.1 billion 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 the following (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.

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 in the form of traditional debt securities or in green bonds as noted in Section 5;

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, find and order that 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. Find and approve that it is in the public interest to grant 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 effectuate the transactions contemplated by this Application.

Respectfully submitted,

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

A handwritten signature in black ink, appearing to read "D.H. Campbell", written in a cursive style.

By: _____

David H. Campbell
Vice President and Treasurer

Date: June 1, 2020

DIRECT TESTIMONY

OF

JONATHAN COHEN

On behalf of

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

D.P.U. 20-62

Table of Contents

I. Introduction and Qualifications1

II. Description of the Proposed Financing4

III. Conclusion12

1 **I. Introduction and Qualifications**

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

3 A. My name is Jonathan Cohen. I am Director of Treasury Business Partnering of National
4 Grid USA Service Company, Inc. (“National Grid”). My business address is One
5 MetroTech 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 am a qualified accountant with the Institution for Chartered Accountants in England and
11 Wales and a qualified Treasurer with the Association of Corporation Treasurers. From
12 2006 to 2012, I worked at BDO LLP, an accounting, tax, audit and consulting services
13 firm. I worked in audit, specializing in financial services companies, including banks,
14 brokers and fund managers. I joined National Grid plc in 2012 as a member of the
15 Corporate Banking Group. In that role, I was responsible for managing the bank
16 relationships, including associated borrowings and revolving credit facilities on behalf of
17 National Grid’s affiliates, including NEP. I was also responsible for analyzing and
18 monitoring National Grid’s credit ratings and managing interactions with debt investors
19 in transactions with the various Company’s affiliates. I joined National Grid’s Debt
20 Capital Markets group in 2015, participating in public bond issuances and managing the
21 associated currency and interest rate risks. I also participated in the sale of significant
22 assets in one of National Grid plc’s largest operating companies in the United Kingdom.

1 I began my current position in 2017, where I am focused on business partnering to
2 determine the efficiency of operations and obtain identified value opportunities. In my
3 current position, I am familiar with the financing activities of NEP.

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

5 A. Yes.

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of this testimony is to support NEP's request to the Department for
8 authorization pursuant to M.G.L. c. 164, §14, 15 and 16 to issue from time to time,
9 during the three-year period following the date of the Department's final order in this
10 proceeding, new long-term debt not to exceed an aggregate principal amount of \$1.1
11 billion outstanding (the "New Debt"). For the reasons explained below, the Company is
12 requesting that the Department review the request on an expedited basis and issue an
13 order approving the proposed financing by September 1, 2020.

14 **Q. Please explain the purpose of the proposed financing**

15 A. The purpose of the proposed financing is to accomplish one or more of the following: (i)
16 to refinance short-term debt with long-term debt; (ii) to finance NEP's capital needs; (iii)
17 for construction of utility plant and properties; (iv) for reimbursement of the treasury; (v)
18 to fund maturing debt and (vi) other general corporate purposes, including but not limited
19 to the restructuring of NEP's capitalization that may consist of taxable bonds, medium or
20 long-term notes, debentures, revolving credit loans, and term or bank loans and similar
21 securities.

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

9 The Department has consistently found such uses and evidences of indebtedness to serve
10 “legitimate utility purposes” that qualify as reasonably necessary under M.G.L. c. 164,
11 §14. *See e.g., New England Power Company, d/b/a National Grid* D.P.U. 16-171 (May
12 23, 2017), *Massachusetts Electric Company, d/b/a, National Grid*. D.P.U. 15-144 (April
13 2016); *Boston Edison Company*, D.T.E. 03-129 at 14-15 (2004).

14 **Q. Please give a brief description of New England Power Company?**

15 A. NEP is a Massachusetts corporation and is a subsidiary of National Grid USA, a
16 Delaware corporation, and a wholly-owned indirect subsidiary of National Grid plc. The
17 principal business of NEP is providing electric transmission service, which makes it an
18 electric company as defined by M.G.L. c. 164 § 1. NEP operates subject to the
19 provisions of M.G.L. c. 164, as amended, and has a place of business at 40 Sylvan Road,
20 Waltham, Massachusetts 02451.

1 In New England, NEP has Federal Energy Regulatory Commission (“FERC”) approved
2 formulae for calculating its transmission revenue requirement (including NEP’s capital
3 structure, cost of debt, and return on equity) and its wholesale rate, which are designed to
4 recover the costs of maintaining its New England transmission system. NEP’s prices,
5 terms, and conditions for electric transmission service are regulated by FERC, which
6 exercises jurisdiction over NEP’s formula rate. FERC has the responsibility to ensure that
7 NEP’s rates are just and reasonable.

8 **II. Description of the Proposed Financing**

9 **Q. Please describe Exhibit JC-2, Comparison of Net Utility Plant to Adjusted Total**
10 **Capitalization**

11 A. This exhibit represents the method of determining NEP’s excess net plant balances over
12 the amount of long-term securities outstanding. This exhibit shows that NEP’s net plant
13 balance at December 31, 2019, pro forma through September 30, 2020 to reflect the
14 timeframe of issuance of an expedited order, has a sufficient balance of total capitalizable
15 plant against which to issue up to approximately \$1.1 billion of debt securities.

16 Therefore, NEP’s net plant balance more than covers the request to issue up to \$1.1
17 billion in this proceeding, as required under G.L. c. 164, §16.

18 **Q. Please describe NEP’s financing needs that the proposed issuance is designed to**
19 **address**

20 A. NEP needs to issue the New Debt to refinance short-term debt with long-term debt,
21 finance future capital expenditures, fund maturing debt obligations and for other proper

1 corporate purposes, including, but not limited to, restructuring NEP's capitalization and
2 the payment of dividends in connection therewith.

3 NEP also needs to meet its requirements to finance investments in new utility plant.

4 Specifically, NEP's annual capital spending is anticipated to range from approximately

5 \$355 million to \$450 million during the fiscal year ending March 31, 2021 through

6 March 31, 2024. Further, NEP needs to fund approximately \$186.5 million of bonds that

7 are due to mature November 1, 2020, and \$106.1 million of bonds that are due to mature

8 October 1, 2022.

9 **Q. Mr. Cohen, please describe how the Company determined the amount of the**
10 **proposed issuance**

11 A. NEP determined an issuance of up to \$1.1 billion of New Debt securities to be issued from
12 time to time would be required to satisfy its projected financing needs by taking into
13 account the Company's requirements to fund its future capital expenditures and maturing
14 long-term debt as well as restructuring its capitalization. Specifically, NEP seeks approval
15 to issue up to \$1.1 billion to ensure that it has adequate flexibility to refinance short-term
16 debt with long-term debt, finance its capital needs, align its capital structure and
17 accomplish other general corporate purposes. NEP's requested borrowing authority
18 provides for flexibility to address financing needs under a reasonable range of potential
19 scenarios (*e.g.*, higher than presently anticipated capital investment needs) during the
20 borrowing authorization period.

21

1 **Q. How do the major rating agencies rate NEP's outstanding senior unsecured long-term**
2 **debt?**

3 A. NEP's outstanding senior unsecured long-term debt is rated A3 by Moody's Investors
4 Service and A- by S&P Global Ratings.

5 **Q. What is the current market for long-term debt securities for NEP or similarly rated**
6 **companies, approximately?**

7 A. The current interest rate for 30-year "A" rated utility bonds is around 3.01 percent. The
8 yield history from January 1, 2014 through May 5, 2020 for long-term debt issues for
9 utilities with similar ratings is provided in Exhibit JC-3. Over the past five years, the yield
10 on long-term debt has varied between 2.63 to 4.58 percent.

11 **Q. What is the maximum interest rate that NEP proposes?**

12 A. The interest rate payable on the New Debt will vary depending on market conditions at the
13 time of issuance. Based on a review of historical rates over the past few years, as well as
14 future market expectations, factoring in uncertain and volatile markets, it can be reasonably
15 assumed that the maximum interest rate will be 7 percent for a 30-year bond.

16 **Q. Why is the proposed maximum interest rate of 7 percent reasonable in light of current**
17 **and anticipated market conditions?**

18 A. Historical yields have been graphed in Exhibit JC-3 showing that the average yield for "A"
19 rated utilities 30-year bonds reached a maximum of 4.58 percent over the past 5 years.
20 While 30-year Treasury bonds are yielding less than 3.01 percent in current market
21 conditions, it is expected that this yield will increase over the coming years from the current
22 historic lows as the Federal Reserve begins to normalize its monetary policy with the
23 gradual recovery of the economy from the impacts of COVID-19, potentially raising

1 benchmark interest rates. The credit spread for “A” rated utilities is a reasonable proxy for
2 NEP and therefore Exhibit JC-3 provides a reliable historical estimate of the interest rate.
3 Looking back over the past 15 years, the maximum increase in “A” rated utilities 30-year
4 bond yields in a single year has been approximately 200 basis points. Recent analysts’
5 forecasts of 30-year Treasury yields covering the timeframe for which the Company
6 requests long-term borrowing authority range as high as 7 percent, while the most recently
7 realized credit spread to 30-year Treasuries by comparable utilities to NEP’s was 235 basis
8 points. Taken together, the present utility bond yields, the Federal Reserve’s future outlook
9 to increase interest rates, the historical rate of increase in utility bond yields, recent analyst
10 interest rate forecasts, comparable credit spreads and factoring in uncertain and volatile
11 markets support a maximum interest rate of 7 percent for the New Debt.

12 **Q. Please describe in more detail the types of long-term debt securities NEP may enter**
13 **into pursuant to this financing request**

14 A. The Company is requesting authorization to issue New Debt as unsecured debt, taxable or
15 tax-exempt debt, bonds, medium- or long-term notes, debentures, revolving credit loans or
16 bank loans, or similar securities or some combination thereof. In addition, the Company
17 is requesting authorization to issue green bonds. These bonds have the same characteristics
18 as traditional bonds, but the use of proceeds would be to finance or refinance, in whole or
19 in part, eligible green projects, including the Company’s capital investment that is deemed
20 to have positive environmental benefits. NEP proposes to issue long-term debt instruments
21 with a maturity greater than one year and not to exceed 30 years from the date of issuance.
22 The securities would carry either a fixed interest rate not to exceed the rate established by

1 the Department or an adjustable rate, which will vary with a market index to be designated
2 at the time of issuance but not to exceed the maximum rate of 7 percent. The New Debt
3 may be issued internally to an affiliate or through third parties, in public offerings, private
4 offerings, or private placements, and with or without investment bankers.

5 **Q. What are green bonds?**

6 A. Green bonds have the same characteristics as traditional bonds, but the use of proceeds is
7 specified as eligible green projects, which includes capital investment that has positive
8 environmental and/or climate benefits. In addition, some green bonds adhere to the
9 International Capital Markets Association's ("ICMA") Green Bond Principles ("GBP").
10 According to ICMA, these are "voluntary process guidelines that recommend transparency
11 and disclosure and promote integrity in the development of the Green Bond market by
12 clarifying the approach for issuance of a Green Bond."

13 **Q. Will some of the Debt issued by the Company be issued in green bond format?**

14 A. Yes, the Company may issue green bonds under National Grid plc's green financing
15 framework, under which National Grid plc and any of its subsidiaries is able to issue green
16 bonds, loans or other financial instruments. This framework was published in November
17 2019 and aims at facilitating disclosure, transparency and integrity for any green bonds
18 issued by any National Grid plc subsidiary. The framework is aligned with the ICMA GBP
19 published in June 2018.

20

21

1 **Q. What are the advantages of issuing green bonds?**

2 A. The two primary advantages of issuing green bonds are (1) increased investor interest,
3 which could lead to a potential pricing advantage and (2) good corporate citizenship and
4 an enhanced reputation with investors. Some investors, such as insurance companies and
5 pension funds, earmark funds to be invested in green projects or have increased interest in
6 green bonds.

7 **Q. If and when NEP determines to issue and sell long-term debt securities, how would it**
8 **plan to market the long-term debt**

9 A. Depending on the type of New Debt security proposed to be issued, such New Debt
10 securities would be sold from time to time in light of NEP's cash requirements and market
11 conditions. These securities may be sold in one or more offerings through one or more of
12 the following: (a) competitive bidding; (b) negotiation with underwriters; (c) negotiation
13 directly with investors, through one or more agents; (d) to one or more agents as principal
14 for resale to investors, in private or public offerings; or (e) in connection with the
15 establishment of loan facilities with a bank or syndicate of banks. NEP is requesting an
16 exemption from the public auction provisions contained in M.G.L. c. 164, § 15 in order to
17 provide NEP with a level of flexibility when it moves to issue New Debt. The benefits of
18 a competitive solicitation process for customers can be duplicated through the negotiated
19 public offering process without the additional cost and time associated with a competitive
20 solicitation process. Negotiated transactions benefit customers and are more appropriate
21 than competitive bid transactions, especially during periods of fluctuating securities
22 markets.

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

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

9 A. The most common platforms for issuance are through SEC-registered (*i.e.*, Securities and
10 Exchange Commission) public offerings, Rule 144A transactions under the Securities Act
11 of 1933 (17 C.F.R. §230.144A) or the 4(a)(2) private placement market. SEC-registered
12 transactions reach a wide investor base, but reports are required to be filed with the SEC
13 on a periodic basis. Rule 144A transactions are sold to Qualified Institutional Buyers, and
14 therefore do not require reporting to the SEC. While transactions can be issued secured
15 against particular assets, NEP only proposes to issue debt on an unsecured basis. Revolving
16 credit loans, term loans and banks loans are all potential offering options and could be
17 specifically tailored to NEP's needs. In addition, NEP could secure New Debt internally
18 from an affiliate.

19 **Q. Please describe the advantage of the offering options NEP is considering**

20 A. NEP is not subject to SEC periodic reporting, which makes Rule 144A transactions a cost-
21 effective approach with relative ease of execution. A Rule 144A transaction involves

1 stand-alone documentation that would enable NEP to issue bonds to qualified investors.
2 An alternative approach with similar ease of execution that also avoids some of the costs
3 associated with external debt issuances is issuance of debt internally to an affiliate. NEP
4 currently has \$292.6 million of tax-exempt bonds outstanding that are due to mature
5 between 2020 and 2022. While tax-exempt debt typically has lower interest expense than
6 taxable debt, there are high issuance costs and continued compliance obligations associated
7 with tax-exempt debt. NEP will always assess the various options at the time of planned
8 issuance to ensure that the best value is achieved, whether by issuing via the debt capital
9 markets, internally to an affiliate, or through bank loans.

10 **Q. Please describe Exhibit JC-4.**

11 A. Exhibit JC-4 contains the votes taken by the Board of Directors by written consent on May
12 28, 2020, without a meeting, relating to this application. The vote in Exhibit JC-4 is an
13 accurate copy of the original vote that appears in NEP's records of the minutes of the
14 meetings of the Board of Directors

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

16 A. The current estimate of the costs and expenses of issuing New Debt is indicated on Exhibit
17 JC-5. Actual costs and expenses may differ from this initial estimate. NEP requests that
18 the actual costs and expenses of issuing New Debt be deferred and amortized over the life
19 of the New Debt.

20

21

1 **Q. Please explain why the Company is requesting expedited review by the Department**
2 **of the proposed issuance.**

3 **A.** As NEP's current financing authorization under D.P.U. 16-171 expired on May 23, 2020,
4 NEP will need new financing authorization to meet the upcoming \$186.5 million debt
5 maturity in November 2020 along with other funding purposes described above. The
6 Company is asking the Department to review and approve its application for authorization
7 to issue long-term debt securities as quickly as possible. By providing expedited treatment,
8 NEP will have access to the capital markets in advance of the debt maturities during these
9 unique times while also taking advantage of the low interest rate environment in the interest
10 of customers.

11 **III. Conclusion**

12 **Q. Mr. Cohen, is it your expert opinion that the proposed issuance is reasonably**
13 **necessary for the purposes which you have stated and is in the public interest?**

14 **A.** Yes.

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

16 **A.** Yes, it does.

New England Power Company

Net Plant Test (\$000)

	<u>As of</u> <u>December 31, 2019</u>	<u>Net Plant Test</u> <u>Adjustments</u>	<u>Net Plant Test</u> <u>Pro forma</u>	<u>As Adjusted</u>
<u>Property, Plant and Investments</u>				
Utility Plant In-Service	3,433,111	(363,832) (A), (B)	251,791 (C)	3,321,070
Less Accumulated Depreciation	590,833	(18,271) (A)	52,992 (C)	625,554
Subtotal Net Utility Plant	<u>2,842,278</u>			<u>2,695,516</u>
Construction Work in Progress	126,343	(126,343)		-
Total Net Utility Plant	<u>2,968,621</u>			<u>2,695,516</u>
 <u>Capitalization</u>				
<u>Common Equity</u>				
Common Stock	72,398			72,398
Premium on Capital Stock	-			-
Other Paid-In Capital	1,317,581	(337,614) (A)		979,967
Retained Earnings	116,137	(116,137)		-
Accum. Other Comprehensive Income	281	(281)		-
Total Common Equity	<u>1,506,397</u>			<u>1,052,365</u>
Preferred Stock	1,112			1,112
Long-Term Debt	<u>690,090</u>		(186,450) (D)	<u>503,640</u>
Total Capitalization	<u>2,197,599</u>			<u>1,557,117</u>
Excess of Net Utility Plant over Total Capitalization after Adjustments				<u>1,138,399</u>

- (A) Removal of Goodwill
(B) Removal of Plant Held for Future Use
(C) Pro forma adjustments to Net Utility Plant and Depreciation thru September 2020
(D) \$186.5M Debt Maturity in November 2019

Historical Movement in 30-Year A-Rated (Moody's) Utility Yields January 1, 2010 through May 5, 2020



NEW ENGLAND POWER COMPANY
WRITTEN CONSENT OF DIRECTORS
IN LIEU OF SPECIAL MEETING

As of May 28, 2020

The undersigned, being all of the Directors of New England Power Company, a Massachusetts corporation (the “*Company*”), do hereby take and consent to the taking of the actions set forth in the following votes, which for all purposes shall have the same force and effect as if taken at a special meeting of the Board of Directors of the Company (the “*Board*”) duly called and held for the purpose, at which a quorum was present and acting throughout:

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 Utility Commission, an application or petition, as applicable, relating to the issue and sale of not exceeding \$1.1 billion 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.

[*Signature Page Follows*]

*New England Power Company
Written Consent in Lieu of Special Meeting
As of May 28, 2020
Page 2*

The undersigned further direct that the actions set forth in this consent be effective immediately and that this consent be filed with the minutes of the meetings of the Directors of the Company.

DocuSigned by:

Jim Holodak

C30A6497CCB44B3...

James G. Holodak

DocuSigned by:

Michael Gillespie

2BE932F13B6E406...

Michael Gillespie

DocuSigned by:

Rudy Wynter

D7D39720684A465...

Rudolph L. Wynter

Estimated Expenses of Issue for NEP 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%	0.725%	0.850%
Other Issuance Expenses*	0.085%	0.085%	0.085%	0.085%	0.085%	0.085%	0.085%
Total Issuance Expenses	0.285%	0.335%	0.435%	0.485%	0.535%	0.810%	0.935%

* Other issuance expenses are usually approximately \$0.43 million per issue. This equates to 0.085% for a principal amount of \$500 million, but this proportion would rise for smaller issuances.

**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. 20-62

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served the foregoing document in the above-referenced docket upon all parties of record in this proceeding in accordance with the requirements of 220 C.M.R. 1.05 (Department's Rules of Practice and Procedure) and the Department's Temporary Changes to Filing Requirements issued on March 12, 2020.

NEW ENGLAND POWER COMPANY
d/b/a NATIONAL GRID



Meabh Purcell, Esq.
Assistant General Counsel
National Grid
40 Sylvan Road
Waltham, MA 02451
Phone: (781) 907-1789
Email: meabh.purcell@nationalgrid.com

Date: June 1, 2020

ATTACHMENT B

Information required by Commission Form F-4, Puc 308.12, comprising
Exhibits JC-6 through JC-12

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

Pro Forma Adjustments to Consolidated Financial Statements

Exhibit

UTILITY NAME New England Power Company

Note:

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 forma March 31, 2019 actuals and illustrate the full impact of an immediate \$1.1 billion bond issuance.

Key assumptions for Pro Forma financials

1	New England Power Company is requesting authority to issue up to \$1.1 billion during the authorization period and will likely execute bond offerings periodically during the authorized time frame. However, the attached exhibits have been pro formed with an one-time immediate issuance of \$1.1 billion and an equity contribution from its parent of \$1.6 billion.	
2	Maturity (in years)	30
3	Debt amount	\$1.1 billion
4	Issuance costs	\$10.29 million
5	Equity contributed from parent	\$1.6 billion
6	Proceeds	
	Hold for repayment of maturing bonds over 5 years	\$293 million
	Hold for funding capital expenditure needs for 5 years	\$2.4 billion
7	New debt rate	3.300%

(in thousands of dollars)

	<u>Debit</u>	<u>Credit</u>
a) Debit Account 131 - Cash	1,089,715	
Debit Account 181 - Unamortized Debt Expense	10,285	
Credit Account 221 - Bonds		1,100,000
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	343	
Credit Account 181 - Unamortized Debt Expense		343
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	42,350	
Credit Account 131 - Cash		42,350
To record increase in interest expense associated with long-term debt issues		
d) Debit Account 131 - Cash	11,100	
Credit Account 409 - Income Taxes		11,100
To record the tax deductibility of incremental interest and amortization expense of new debt		
e) Debit Account 233 - Intercompany Money Pool	-	
Credit Account 131 - Cash		-
To record the repayment of short term money pool borrowing		
f) Debit Account 131 - Cash	-	
Credit Account 427 - Interest expense		-
To record the reduction in short term interest expense from repayment of STD (0.28%)		
g) Debit Account 409 - Income taxes	-	
Credit Account 131 - Cash		-
To record the tax impact of repayment of STD		
h) Debit Account 131 - Cash	1,600,000	
Credit Account 208 - Other Paid-In Capital		1,600,000
To record the equity contribution from parent		
i) Debit Account 131 - Cash		31,593
Credit Account 215 - Retained Earnings	31,593	
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**

UTILITY NAME New England Power Company
ESTIMATED COST OF FINANCING
Proposed Debt/Security Issue

(in thousands of dollars)

Issue Amount \$ 1,100,000

Estimated Cost of Financing Amount

Issuance Costs:

Underwriting Commissions (0.850%) \$ 9,350

Other Issuance Expenses (0.085%) \$ 935

Total Issuance Costs: \$ 10,285

Total Estimated Costs \$ 10,285

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIESUTILITY NAME New England Power Company
STATEMENTS OF CASH FLOWS TWELVE MONTHS ENDED March 31, 2019
Proposed Debt/Security Issue*(in thousands of dollars)*

	Twelve Months Ended 31-Mar-19	Adjustments	Pro Forma
Operating activities:			
Net income	133,413	i (31,593)	101,820
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	63,150		63,150
Deferred income tax	22,986		22,986
Bad debt expense	379		379
Income from equity investments, net of dividends received	(166)		(166)
Allowance for equity funds used during construction	(9,829)		(9,829)
Net postretirement benefits (contributions) expense	(3,037)		(3,037)
Changes in operating assets and liabilities:			
Accounts receivable and other receivable, net, and unbilled revenues	1,205		1,205
Accounts receivable from/payable to affiliates, net	(17,216)		(17,216)
Inventory	100		100
Regulatory assets and liabilities, net	(16,237)		(16,237)
Prepaid and accrued taxes	16,890		16,890
Accounts payable and other liabilities	4,619		4,619
Accrued Yankee nuclear plant costs	17,523		17,523
Other, net	(7,941)	a (10,285)	(18,226)
Net cash provided by operating activities	<u>205,839</u>		<u>163,961</u>
Investing activities:			
Capital expenditures	(164,531)		(164,531)
Intercompany money pool	186,091		186,091
Cost of removal	(6,954)		(6,954)
Other	(370)		(370)
Net cash provided by investing activities	<u>14,236</u>		<u>14,236</u>
Financing activities:			
Common stock dividends to Parent	(220,000)		(220,000)
Preferred stock dividends	(67)		(67)
Payments on long-term debt	-	a 1,100,000	1,100,000
Intercompany money pool	-	e -	-
Advance from affiliate	-		-
Equity infusion from Parent	-	h 1,600,000	1,600,000
Parent loss tax allocation	-		-
Net cash used in financing activities	<u>(220,067)</u>		<u>2,479,933</u>
Net increase in cash and cash equivalents	8		2,658,130
Cash and cash equivalents, beginning of year	-		-
Cash and cash equivalents, end of year	<u>8</u>		<u>2,658,130</u>

Note: The statement above is not meant to be a forecast but simply to pro forma March 31, 2019 actuals and illustrate the full impact of an immediate \$1.1 billion bond offering

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

DE 20-____
Exhibit JC-8

UTILITY NAME

New England Power Company
BALANCE SHEET AS OF March 31, 2019
Proformed for Proposed Debt/Security Issue

(in thousands of dollars)

	<u>Bal. as of 31-Mar-19</u>		<u>Adjustments</u>	<u>Pro Forma</u>
ASSETS				
Current Assets				
Cash and cash equivalents	8	a, b, c, d, e, f, g, h	2,676,486	2,676,494
Accounts receivable	5,563			5,563
Accounts receivable from affiliates	77,456			77,456
Intercompany money pool	18,364	e	(18,364)	0
Inventory	1,629			1,629
Other	2,283			2,283
Total Current Assets	<u>105,303</u>			<u>2,763,425</u>
Equity investments	3,232			3,232
Property, plant, and equipment, net	2,515,562			2,515,562
Other non-current assets:				
Regulatory assets	90,368			90,368
Goodwill	337,614			337,614
Postretirement benefits asset	19,283			19,283
Financial investments	11,770			11,770
Other	15,417	a	10,285	25,702
Total other non-current assets	<u>474,452</u>			<u>484,737</u>
Total assets	<u>3,098,549</u>			<u>5,766,956</u>
LIABILITIES AND CAPITALIZATION				
Current liabilities:				
Accounts payable	19,741			19,741
Accounts payable to affiliates	25,585			25,585
Taxes accrued	45,985			45,985
Other	49,279			49,279
Total current liabilities	<u>140,590</u>			<u>140,590</u>
Other non-current liabilities:				
Regulatory liabilities	321,838			321,838
Accrued Yankee nuclear plant costs	24,766			24,766
Deferred income tax liabilities, net	341,477			341,477
Environmental remediation costs	1,915			1,915
Other	6,568			6,568
Total other non-current liabilities	<u>696,564</u>			<u>696,564</u>
Capitalization:				
Shareholders' equity	1,575,196	h, i	1,568,407	3,143,603
Long-term debt	686,199	a	1,100,000	1,786,199
Total capitalization	<u>2,261,395</u>			<u>4,929,802</u>
Total liabilities and capitalization	3,098,549			5,766,956

Note: The above statement is not meant to be a forecast but simply to pro forma March 31, 2019 actuals and illustrate the full impact of an immediate \$1.1 billion 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, 2019
Proformed for Proposed Debt/Security Issue

(in thousands of dollars)

	Bal. as of 31-Mar-19		Adjustments	Pro Forma
Operating Revenues	421,995			421,995
Operating Expenses:				
Purchased electricity	427			427
Operations and maintenance	110,754			110,754
Depreciation	63,150			63,150
Other taxes	52,006			52,006
Total Operating Expense	226,337		-	226,337
Operating Income	195,658		-	195,658
Other Income and (Deductions):				
Interest on long-term debt	(21,036)	b, c, f	42,693	21,657
Other interest, including affiliate interest	(6,389)			(6,389)
Other income, net	8,651			8,651
Total Other Deductions, net	(18,774)		42,693	23,919
Income Before Income Taxes	176,884		42,693	219,577
Income Tax Expense	43,471	b, c, d, f, g (26%)	(11,100)	32,371
Net Income	133,413		53,793	187,206

Note: The statement above is not meant to be a forecast but simply to pro forma March 31, 2019 actuals and illustrate the full impact of an immediate \$1.1 billion bond offering

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

DE 20-____
Exhibit JC-10

UTILITY NAME

**New England Power Company
STATEMENT OF CAPITALIZATION RATIOS
Proformed for Proposed Debt/Security Issue**

(in thousands of dollars)

	Amount as of		Adjustments	Pro Forma	
	31-Mar-19	% of Total		Amount	% of Total
Common Stock	72,398			72,398	
Premium on Capital Stock	-			-	
Other Paid-in Capital	1,317,581		1,600,000	2,917,581	
Retained Earnings	184,068		(31,593)	152,476	
Accumulated Other Comprehensive Income	40			40	
Total Equity (excl Preferred Stock)	1,574,088			3,142,495	
Goodwill	337,614			337,614	
Total Equity (excl Goodwill)	1,236,474	64%		2,804,881	64%
Total Equity (excl Goodwill and STD)	1,236,474	64%		2,804,881	64%
Preferred Stock	1,112			1,112	
Long Term Debt	692,600		913,550	1,606,150	
Short Term Debt	-		-	-	
Total Debt (incl STD)	693,712	36%		1,607,262	36%
Total Debt (excl STD)	693,712	36%		1,607,262	36%
Total Capitalization (excl Goodwill)	1,930,185			4,412,143	
Total Capitalization (excl Goodwill & STD)	1,930,185			4,412,143	

Note: The statement above is not meant to be a forecast but simply to pro forma March 31, 2019 actuals and illustrate the full impact of an immediate \$1.1 billion bond offering

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PETITION FOR AUTHORITY TO ISSUE SECURITIES

UTILITY NAME

New England Power Company

Weighted Average Cost of Debt
Current & Pro Forma at March 31, 2019
(\$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 [(i)+(j)]	[(k)/(h)] Weighted Average Cost Rate
Short Term Debt:											
			-	-	-	-	-	-	-	-	-
Total Short Term Debt			-	-	-	-	-	-	-	-	0.00%
Long Term Debt:											
NEP BFA 1 (R)			135,850	135,850	-	-	135,850	-	2,351	2,351	
NEP BFA 2 (S)			50,600	50,600	-	-	50,600	-	861	861	
NEP MIFA 2 (V)			106,150	106,150	-	-	106,150	-	1,800	1,800	
NEP Senior Unsecured			400,000	400,000	-	4,528	400,000	(4,528)	15,200	15,200	
								824	-	824	
Total Long Term Debt			692,600	692,600	0	4,528	688,072	824	20,212	21,036	3.06%

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 [(i)+(j)]	[(k)/(h)] Weighted Average Cost Rate
Short Term Debt:											
			0	0	0	0	0	0	0	0	0.00%
Total Short Term Debt			0	0	0	0	0	0	0	0	0.00%
Long Term Debt:											
New Debt			1,100,000	1,100,000	10,285	10,285	1,089,715	343	36,300	36,643	3.36%
Total Long Term Debt			1,100,000	1,100,000	10,285	10,285	1,089,715	343	36,300	36,643	3.36%

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	0	0.00%	0.00%	0.00%	0	0	0.00%	0.00%	0.00%	0.00%
Long Term Debt (incl reduction for Unamort. Issuance Exp.)	688,072	30.40%	3.06%	0.93%	1,089,715	1,777,787	36.12%	3.21%	1.16%	1.16%
Common Equity	1,575,196	69.60%	10.57%	7.36%	1,568,407	3,143,603	63.88%	10.57%	6.75%	6.75%
Total	2,263,268			8.29%	2,658,122	4,921,390			7.91%	7.91%