

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 25-001**

**NEW ENGLAND POWER COMPANY d/b/a NATIONAL GRID**

**Petition for Authority to Issue Long Term Debt Securities**

**Order *Nisi* Approving Petition for Authority to Issue Long Term Debt Securities**

**O R D E R N O. 28,123**

**April 2, 2025**

In this order, the Commission grants New England Power Company d/b/a National Grid authority to issue up to \$1.2 billion of long-term debt securities over a three-year period. The Commission waives inapplicable filing requirements, finds that the debt is consistent with the public good, and approves the petition as proposed.

**I. BACKGROUND AND PROCEDURAL HISTORY**

On January 7, 2025, pursuant to RSA 369:1, New England Power Company filed a Petition for Authority to Issue Long-Term Debt Securities (Petition). New England Power Company d/b/a National Grid (NEP or the Company) is a Massachusetts corporation and a subsidiary of National Grid USA, a Delaware corporation, and a wholly-owned indirect subsidiary of National Grid plc, with a principal office in Waltham, Massachusetts. NEP is authorized to conduct business in the State of New Hampshire as a public utility as defined in RSA 362:2 and is subject to the jurisdiction of the Commission. NEP is also regulated as a public utility by the Federal Energy Regulatory Commission (FERC). NEP owns and/or operates approximately 2,700 miles of transmission lines in Massachusetts, Vermont, New Hampshire, and Rhode Island. In New Hampshire, NEP owns and operates approximately 417 miles of transmission lines. *See* Petition at 1.

The Company's January 7 filing included testimony, information required by the New Hampshire Code of Administrative Rules, Puc 305.06 and a request for waivers of Puc 305.06 (b)(3), (4) and (5) (formerly Puc 308.12 (b) (7), (8), and (9)).<sup>1</sup>

The New Hampshire Department of Energy (DOE) filed a technical statement recommending approval of the petition on February 18, 2025. The Office of the Consumer Advocate did not submit an appearance in this docket, and no petitions to intervene were filed.

Other than any information for which confidential treatment is requested of or granted by the Commission, all docket filings are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2025/25-001.html>.

## **II. POSITIONS**

### **A. New England Power Company**

In its Petition, NEP stated that it seeks authority to issue new long-term debt not to exceed an aggregate principal amount of \$1.2 billion for a period of three years beginning on the date of the Commission's approval. The Company stated that it will use the proceeds from the issuance of long-term debt for one or more of the following purposes:

1. to refinance short-term debt with long-term debt;
2. to finance NEP's capital needs;
3. to construct utility plant and properties;
4. to reimburse the treasury;
5. to fund maturing debt; and
6. for other general corporate

See Petition at 2-3.

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<sup>1</sup> On October 24, 2024, the Commission readopted, with amendments Puc 300. The references contained in the Company's petition refer to the Commission's prior ruleset. Having reviewed the waiver request, the Commission notes that the provisions of Puc 305.06 (b)(3), (4) and (5) are identical to prior 308.12 and therefore will review the waiver request under the requirements of the updated ruleset.

The Company also requested authorization to choose the type of debt to issue, which may include medium- and long-term notes, bonds, debentures, revolving credit-loans, and bank loans. According to the Petition, the terms to maturity would be no shorter than a year and no longer than 30 years. *See Id* at 3.

NEP stated that it seeks flexibility to issue the debt internally to affiliates; or to third parties in either public offerings or private placements, or Rule 144A transactions under the Securities Act of 1933 (17 C.F.R. 230.144A), with or without investment bankers. The Company also requested that it be permitted to issue unsecured debt, taxable or tax-exempt debt including but not limited to green bonds, with an interest rate that could be fixed or adjustable. *See Id*.

The Company stated that, based on recent historic rates, it is reasonable to assume that the maximum interest rate for a bond with a 30-year term will be 8 percent, although the interest rate payable on the new debt will vary depending on market conditions at the time of issuance. Finally, NEP sought authority to 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. *See Id* 3-4.

The terms of each instrument would 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. *See Id*. NEP's Petition described debt obligations, which

include long-term debt maturing between December 5, 2047 and November 25, 2052 as follows:

Amount	Maturity	Interest Rate	Original Issue Date
\$400 million	December 5, 2047	3.80%	December 5, 2017
\$400 million	October 6, 2050	2.81%	October 6, 2020
\$300 million	November 25, 2052	5.94%	November 25, 2022

See Id at 2.

NEP seeks authority to incur new debt from time to time over a three-year period from the date of approval. See Id at 1. NEP requested waivers from the requirements of Puc 305.06 (b)(3), (4) and (5) (formerly Puc 308.12 (b) (7), (8) and (9)) on the grounds that they are not applicable to the current circumstances. See NEP Cover letter (January 7, 2025)

### **B. Department of Energy**

The DOE recommended approval of the requested financing and the requested waivers from Puc 305.06 (b)(3), (4) and (5).<sup>2</sup> The DOE's states:

In summary, the DOE has reviewed the Company's petition and supporting documents and believes that NEP's filing is complete and meets all requirements of Puc 305.06. Accordingly, it is the DOE's opinion that, based on the current total of outstanding long-term debt reported by NEP, the proposed new financing in the amount of \$1.2 billion will have a limited impact on NEP's capital structure, and the Company's cost of debt and revenue requirement. As such, the DOE supports the Company's position that approval of the petition would be in the public good, and in conformance with the review standards of RSA Chapter 369. Therefore, the DOE recommends that the Commission grant the waiver NEP requests, and approve NEP to issue \$1.2 billion in long-term debt, according to the proposed terms, amounts, and interest rate outlined above, for the purposes of funding planned capital expenditures for 2025 through 2028 and other corporate purposes.

See Technical Statement at 4. The DOE also recommended that NEP inform the Commission about the results of its debt issuance.

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<sup>2</sup> The DOE's Technical Statement recognizes the waiver request cites the prior version of the rules.

### III. COMMISSION ANALYSIS

RSA 369:1 states that a utility may, “with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes.” The Commission shall authorize the financing “if in its judgment the issue of such securities upon the terms proposed is consistent with the public good.” RSA 369:4. The Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of proceeds, and the effect on rates. *Appeal of Easton*, 125 NH 205, 211 (1984) (*Easton*).

The rigor of an *Easton* inquiry varies depending on the circumstances of the request. As the Commission has noted in prior decisions, “certain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the proposed financing.” *Public Service Company of New Hampshire*, Order No. 25,050 at 14 (December 8, 2009). We engage in a more limited review for routine financing requests. *Id.* at 13-14. A routine request is one that will have no discernible “impact on rates or deleterious effect on capitalization, [and] in which the funds are to enable numerous investments appropriate in the ordinary course of utility operations.” *Id.* at 13.

NEP requests that its Petition be treated as a routine financing because NEP is regulated by FERC, and the financing only affects elements of retail rates that are not subject to the Commission’s jurisdiction. *See* Petition 6. The Commission finds this request reasonable. NEP’s financing costs are approved by FERC for inclusion in

transmission rates, which are paid for by energy suppliers and ultimately passed on to retail ratepayers when the power is delivered to those end users. See Petition at 6. NEP has no retail ratepayers in New Hampshire. NEP's affiliate conducts retail operations in Massachusetts. As a result, the Massachusetts Department of Public Utilities may have an enhanced interest in NEP's operations, and NEP has requested that the Massachusetts Department approve the proposed financing transaction, in Docket No. D.P.U. 24-192. See *Id* at 5.

The long-term debt is proposed in part for the purpose of re-financing existing short- and long-term debt. The debt is supported by sufficient balance of net plant. The proposed financing will have a limited impact on NEP's capital structure and the Company's cost of debt and revenue requirement. See Technical Statement at 3. The Commission finds that granting the Petition is consistent with the public good. We therefore approve the Petition, pursuant to RSA Chapter 369, conditioned upon authorization of the issuance by the Massachusetts Department of Public Utilities in D.P.U. 24-192.

We also agree with NEP that Puc 305.06. (b) (3) (4) and (5) (referred to by the Petitioners as Puc 308.12(b) (7), (8), and (9)), are inapplicable to this Petition. Those rules require a utility to file the following documents when seeking authority to issue securities: a copy of the private placement memorandum for long-term financing including any letter of commitment from a lender stating details of financing; a copy of the proposed promissory note and mortgage; and a copy of terms of new common or preferred stock. No debt related documents are available at this time because the debt will be issued over a period of several years and no stock will be issued pursuant to

the Petition. Accordingly, under Puc 203.01(b) (1), which allows for waiving inapplicable requirements, we grant the requested waivers.

The Commission retains authority under RSA 374:4 to be kept informed of the Company's use of the financing independently and apart from any review under RSA 369:1. Pursuant to that authority, NEP shall keep the Commission informed about its debt issuances by promptly providing the Commission with any and all related filings provided to the FERC. The Company shall also notify the Commission of the decision rendered by the Massachusetts Department of Public Utilities within 10 days of issuance of any order in that proceeding by filing a copy of the decision in this docket.

**Based upon the foregoing, it is hereby**

**ORDERED *NSI***, that subject to the effective date below, that New England Power Company's petition for approval to issue new long-term debt, not to exceed an aggregate principal amount of \$1.2 billion, from time to time during the period extending three years from the date of approval, is hereby **APPROVED** conditioned upon authorization of the issuance by the Massachusetts Department of Public Utilities in D.P.U. 24-192; and it is

**FURTHER ORDERED**, that New England Power Company shall keep the Commission informed about its debt issuances by promptly providing the Commission with any and all related filings provided to the Massachusetts Department of Public Utilities in D.P.U. 24-192 and the Federal Energy Regulatory Commission;


**FURTHER ORDERED** that New England Power Company shall post a copy of this order on the Company's website within two business days of the date of this order with an affidavit of publication to be filed with this office on or before April 9, 2025; and it is

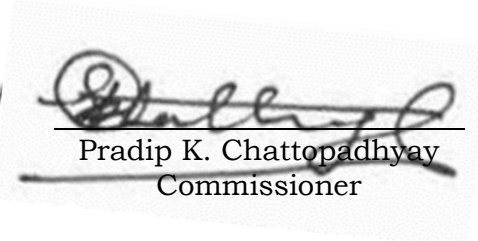
**FURTHER ORDERED**, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing, stating the reason and basis for a hearing, no later than April 16, 2025 for the Commission's consideration; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than April 23, 2025; and it is

**FURTHER ORDERED**, that this order shall be effective May 5, 2025, unless New England Power Company fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

By order of the Public Utilities Commission of New Hampshire this second day of April, 2025.

  
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Daniel C. Goldner  
Chairman

  
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Pradip K. Chattopadhyay  
Commissioner

  
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Mark W. Dell'Orfano  
Commissioner



## Service List - Docket Related

Docket#: 25-001

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