

with the approval of the full-time Federal employee in attendance.

If you need special accommodations due to a disability, please contact the Office of Accessibility, National Endowment for the Arts, 1100 Pennsylvania Avenue, NW, Washington, DC 20506, 202/682-5532, TDY-TDD 202/682-5496, at least seven (7) days prior to the meeting.

Further information with reference to this meeting can be obtained from Ms. Kathy Plowitz-Worden, Office of Guidelines & Panel Operations, National Endowment for the Arts, Washington, DC 20506, or call 202/682-5691.

Dated: October 12, 1999.

Kathy Plowitz-Worden,

*Panel Coordinator, Panel Operations,
National Endowment for the Arts.*

[FR Doc. 99-27111 Filed 10-15-99; 8:45 am]

BILLING CODE 7537-01-M

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Arts

Combined Arts Advisory Panel; Meeting

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), as amended, notice is hereby given that two meetings of the Combined Arts Advisory Panel, Folk & Traditional Arts section (Heritage & Preservation, Education and Access categories, to the National Council on the Arts will be held from November 2-3 and November 8-10, 1999 in Room 716 at the Nancy Hanks Center, 1100 Pennsylvania Avenue, NW, Washington, DC, 20506. The Panels will meet from 9 a.m. to 8:30 p.m. on November 2nd and November 8th, from 9 a.m. to 5:30 p.m. on November 3rd and November 10th, and from 9 a.m. to 6:30 p.m. on November 9th. A portion of one meeting, from 1:30 p.m. to 2:30 p.m. on November 9th, will be open to the public for policy discussion.

The remaining portions of this meeting, from 9 a.m. to 8:30 p.m. on November 2nd and 8th, from 9 a.m. to 5:30 p.m. on November 3rd and 10th, and from 9 a.m. to 1:30 p.m. and 2:30 p.m. to 6:30 p.m. on November 9th, are for the purpose of Panel review, discussion, evaluation, and recommendation on applications for financial assistance under the National Foundation on the Arts and the Humanities Act of 1965, as amended, including information given in confidence to the agency by grant applicants. In accordance with the determination of the Chairman of May

12, 1999, these sessions will be closed to the public pursuant to (c)(4)(6) and (9)(B) of section 552b of title 5, United States Code.

Any person may observe meetings, or portions thereof, of advisory panels which are open to the public, and, if time allows, may be permitted to participate in the panel's discussions at the discretion of the panel chairman and with the approval of the full-time Federal employee in attendance.

If you need special accommodations due to a disability, please contact the Office of AccessAbility, National Endowment for the Arts, 1100 Pennsylvania Avenue, NW, Washington, DC 20506, 202/682-5532, TDY-TDD 202/682-5496, at least seven (7) days prior to the meeting.

Further information with reference to this meeting can be obtained from Ms. Kathy Plowitz-Worden, Office of Guidelines & Panel Operations, National Endowment for the Arts, Washington, DC 20506, or call 202/682-5691.

Dated: October 13, 1999.

Kathy Plowitz-Worden,

*Panel Coordinator, Panel Operations,
National Endowment for the Arts.*

[FR Doc. 99-27112 Filed 10-15-99; 8:45 am]

BILLING CODE 7537-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27085]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

October 8, 1999.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by November 12, 1999, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at

law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After November 12, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

The National Grid Group plc, et al. (70-9473)

The National Grid Group plc ("National Grid"), a public limited company incorporated under the laws of England and Wales, National Grid (US) Holdings Limited, National Grid (US) Investments, National Grid (Ireland) 1 Limited, National Grid (Ireland) 2 Limited, National Grid General Partnership, and NGG Holdings, Inc. (except for National Grid, "Intermediate Companies"),¹ each located at National Grid House, Kirby Corner Road, Coventry CV4 8JY, United Kingdom, and New England Electric System ("NEES"),² a registered holding company, located at 25 Westborough Drive, Westborough, Massachusetts 01582, (collectively, "Applicants") have filed a joint application-declaration under sections 2(a)(7), 2(a)(8), 9(a), 10, 13(b), 32 and 33 of the Act and rules 45, 52, 53, 54, under the Act.

Summary of Proposal

As described in more detail below, National Grid proposes: (a) To acquire, by means of the merger described below, ("Merger"), all of the issued and outstanding common stock of NEES ("NEES Common Stock") and, as a result of the acquisition of NEES Common Stock, indirectly acquire (i) all of NEES' interest in its electric utility subsidiary companies and (ii) all of the issued and outstanding common stock of NEES' nonutility subsidiaries; (b) to retain NEES as a subsidiary public utility holding company registered under section 5 of the Act; (c) to engage in acquisition-related financing transactions; (d) to retain National

¹ The Intermediate Companies either have been or will be formed prior to the consummation of the Merger. The Intermediate Companies will require the approval of their respective boards of directors to engage in the activities contemplated by this filing.

² On February 1, 1999, NEES announced that it had entered into an agreement to acquire all of the outstanding common stock of Eastern Utilities Associates ("EUA"), a registered holding company under the Act. Consummation of the merger between NEES and EUA is not conditional on, and is proceeding independently from, the closing of the Merger. NEES and EUA have an application pending (File No. 9537) for NEES to acquire all of the outstanding voting securities of EUA.

Grid's existing nonutility activities, businesses and investments; (e) to retain NEES' nonutility businesses; and (f) that the Commission find that the Intermediate Companies are not "holding companies" for purposes of section 11(b)(2) of the Act.

Following consummation of the Merger, National Grid will register with the Commission as a holding company under section 5 of the Act. NEES is currently a holding company registered under section 5 of the Act and will remain registered following consummation of the Merger.³ In addition, the Intermediate Companies will each register as holding companies under the Act.

National Grid and Subsidiaries

National Grid is a public limited company formed in 1989 under the laws of England and Wales. Other than the Intermediate Companies, National Grid currently has one direct subsidiary National Grid Holdings plc. ("National Grid Holdings"). National Grid Holdings was formed under the laws of England and Wales to serve as a holding company over National Grid Company plc ("National Grid Company"), a utility company, and the other subsidiaries of National Grid that would not be in the NEES of ownership. Prior to consummation of the Merger, National Grid Holdings will file a notification of a foreign utility company status a quality as a FUCO within the meaning of Section 33 of the Act. The parties expect that National Grid Holdings will retain this status following the Merger.

National Grid Holdings' other direct subsidiaries are: National Grid Insurance Limited; National Grid International Limited; The National Grid Group Quest Trustees Limited; NGG Telecoms Holdings Limited; and Natgrid Finance Holdings Limited.

National Grid Company is the only electric transmission company in England and Wales.⁴ It now owns 4,300 miles of overhead transmission lines and 400 miles of underground cables, all in England and Wales, as well as interconnections with Scotland and France. The principal functions of National Grid Company in the

competitive British power supply market are to: (a) Provide transmission services on a for-profit, non-discriminatory basis, (b) maintain and make all needed improvements to optimize access to the transmission system; (c) procure ancillary services on the transmission system; (d) match demand and supply; (e) manage the daily system of half-hourly bids for competing generators; and (f) calculate market prices and make the payments due from each day's energy trading. National Grid Company is subject to regulatory controls overseen by the United Kingdom's Director General of Electricity Supply with regard to the prices it may charge for transmission services in England and Wales. Transmission price control arrangements are in effect for National Grid Company and are expected to remain in force until March 31, 2001.

National Grid Insurance Limited is an insurance subsidiary formed in connection with the self-insured retention of National Grid Company's transmission assets. National Grid International Limited is an intermediate holding company for certain of the overseas activities of national Grid.⁵ These activities include automated meter reading and billing, telecommunications and electric transmission and distribution. The National Grid Group Quest Trustees Limited is the trustee company for National Grid's qualifying employee share ownership trust. NGG Telecoms Holdings Limited Indirectly holds National Grid's interest, currently at 48.3%, in Energis plc ("Energis"), a telecommunications company that focuses on the business marketplace in the United Kingdom. Natgrid Finance Holdings Limited is an intermediate holding company for entities that provide financial management services to National Grid.

National Grid's ordinary shares are listed on the London Stock Exchange ("LSE").⁶ According to a report filed by

National Grid with the Commission on October 4, 1999 in accordance with section 12(b) of the Securities Exchange Act of 1934 on Form 20-F, there were 1,478,080,576 ordinary shares and one special share⁷ issued as of September 15, 1999. As of the fiscal year ended March 31, 1999, National Grid had revenues, net income and assets of \$2.49 billion, \$1.65 billion and \$8.35 billion, respectively.⁸

NEES and Subsidiaries

NEES is a registered holding company organized as a voluntary association under the laws of the Commonwealth of Massachusetts. The NEES system covers more than 4,500 square miles with a population of approximately 3 million. NEES owns all of the voting securities of four electric distribution subsidiaries, Massachusetts Electric Company ("Mass. Electric"), The Narragansett Electric Company ("Narragansett"), Granite State Electric Company ("Granite State") and Nantucket Electric Company ("Nantucket"). In addition, NEES has four other electric utility subsidiaries: New England Power Company ("NEP"); New England Electric Transmission ("NEET"); New England Hydro-Transmission Corporation ("N.H. Hydro"); and New England Hydro-Transmission Electric Company ("Mass. Hydro").⁹

⁷This special share is owned by the government of the United Kingdom and is commonly referred to as the "golden share" in National Grid. The golden share is a single non-voting share that prevents amendments to National Grid's Memorandum and Articles of Association without the consent of the holder of the golden share. The Memorandum and Articles of Association contain restrictions on certain classes of persons holding more than a prescribed shareholding in National Grid (as the indirect holder of the England and Wales transmission License through The National Grid Company). In particular, the Memorandum and Articles of Association restrict companies that trade electricity in England and Wales from owning more than 1% of the shares of National Grid and also requires that no party may own more than 15% of National Grid's shares. The golden share is a means to preserve the status of national Grid as an independent provider of transmission services.

⁸All figures are presented on a U.S. Generally Accepted Accounting Procedures ("GAAP") basis. The figures for revenues and net income were translated into dollars using a rate of U.S. \$1.65 for one pound (Noon Buying Rate on the last business day of each month during the year ended March 31, 1999), and the figure for assets was translated using a rate of U.S. \$1.61 for one pound (Noon Buying Rate on March 31, 1999). Consistent with U.S. GAAP, National Grid's share of joint ventures and associates' businesses is included in net income and assets but is omitted from revenues. For the year ended March 31, 1999, National Grid's investment in Energis accounted for \$36 million of National Grid's net income (calculated in the same manner as overall revenue).

⁹NEES owns certain percentages, represented in parentheses, of the outstanding voting securities of the following utility subsidiaries: NEP (99.97%);

Continued

³As more particularly described below, NEES will be merged into NGG Holdings, Inc. with NGG Holdings, Inc. as the surviving entity. All references to NEES in this notice are to NEES and its potential corporate successor.

⁴As part of the United Kingdom government's privatization efforts, the Central Electricity Generating Board, which owned and operated the vast majority of electric generation and transmission facilities in England and Wales, was split into three competing generation companies, and an independent transmission company, which is now National Grid Company.

⁵Some of these activities are pursued in the United States by Teldata International Limited and National Grid USA Inc., first-tier subsidiaries of National Grid International Limited. Through its subsidiaries Teldata Inc. and First Point Services Inc., Teldata International Limited provides metering and billing services to electric, gas and water utilities and energy service providers. National Grid USA Inc. was formed to investigate potential opportunities in the United States market for National Grid. No other National Grid companies conduct operations in the U.S.

⁶National Grid has an unsponsored American depository Receipt ("ADR") program under which a relatively small amount of its shares trade in the United States as ADRs. National Grid is preparing the necessary documentation which will enable it to become listed on a public exchange in North America through a full ADR program sometime prior to the closing of this transaction.

Mass. Electric provides electric energy to approximately 980,000 customers in an area comprising approximately 43 percent of Massachusetts. At the end of 1998, Mass. Electric had total assets of \$1.45 billion, operating revenues of \$1.49 billion and net income of \$50.4 million. Mass. Electric is subject to regulation by the Federal Energy Regulatory Commission ("FERC") and the Massachusetts Department of Telecommunications and Energy ("MDTE").

Narragansett provides electric energy to approximately 335,000 customers in Rhode Island. At the end of 1998, Narragansett had total assets of \$644.1 million, operating revenues of \$475 million and net income of \$32.3 million. Narragansett is subject to regulation by the FERC, the Rhode Island Public Utility Commission ("RIPUC") and the Rhode Island Division of Public Utilities and Carriers ("RIDIV").

Granite State provides electric energy to approximately 37,000 customers in 21 New Hampshire communities.¹⁰ At the end of 1998, Granite State had total assets of \$61.8 million, operating revenues of \$65.7 million, and net income of \$3.2 million. Granite State is subject to regulation by the FERC and the New Hampshire Public Utilities Commission ("NHPUC").

Nantucket provides electric utility service at retail to approximately 10,000 customers on Nantucket Island in Massachusetts. At the end of 1998, Nantucket had total assets of \$44 million, operating revenues of \$15.1 million, and net income of \$567,000. Nantucket is subject to regulation by the FERC and the MDTE.

NEP is also a holding company because it owns more than ten percent of the outstanding voting securities of Vermont Yankee Nuclear Power Corporation, the licensed operator of the Vermont Yankee nuclear facility.¹¹ At the end of 1998, NEP had total assets of \$2.41 billion, operating revenues of \$1.2 billion and net income of \$122.9 million. NEP is subject to regulation by

the FERC, the Nuclear Regulatory Commission ("NRC"), the RIDIV, the MDTE, the NHPUC, the Vermont Public Service Board ("VPSB") the Connecticut Department of Public Utility Control ("CDPUC"), and the Maine Public Utilities Commission.

NEET owns and operates a direct current/alternating current converter terminal facility for the first phase of the Hydro-Quebec and New England interconnection ("Interconnection") as well as six miles of high voltage direct current transmission line in New Hampshire. N.H. Hydro operates 121 miles of high-voltage direct current transmission line in New Hampshire for the second phase of the Interconnection, extending to the Massachusetts border. Mass. Hydro operates a direct current/alternating current terminal and related facilities for the second phase of the Interconnection and 12 miles of high-voltage direct current transmission line in Massachusetts.

In addition to its utility subsidiaries, NEES has the following nonutility subsidiaries: New England Power Service Company ("Service Company"); New England Hydro Finance Company, Inc.; NEES Communication, Inc. ("NEESCom"); NEES Telecommunications Corp.; NEES Global, Inc. ("NEES Global"); NEES Energy, Inc. ("NEES Energy"); A/Energy Marketing Company, L.L.C. ("A/Energy"); Texas Liquids, L.L.C. ("Texas Liquids"); AEDR Fuels L.L.C. ("AEDR"); Weatheride USA ("Weatheride"); Texas-Ohio Gas, Inc.; Granite State Energy, Inc. ("Granite State"); Metro West Realty, L.L.C.; 25 Research Drive, L.L.C.; New England Energy, Inc.; and Nexus Energy Software, Inc. ("Nexus").¹² NEES also holds a 0.8% ownership interest in UNITIL Company ("Unitil"), which is registered holding company headquartered in New England.¹³

New England Power Service Company, provides a variety of administrative and consulting services for the NEES system under a service agreement approved by the Commission in accordance with the requirements of rule 90 under the Act. New England Hydro Finance Company, Inc., which is owned in equal shares by Mass. Hydro and N.H. Hydro, provides the debt

financing required by the owners to fund the capital costs of their participation in the Interconnection. NEES Communication, Inc. is an exempt telecommunications company that provides telecommunications and information-related goods and services. NEES telecommunications Corp. is wholly owned by NEESCom and is presently inactive. NEES Global provides consulting services and product licenses to unaffiliated utilities in the area of electric utility restructuring and customer choice. NEES Energy, Inc. owns ninety nine percent of the voting securities of A/Energy,¹⁴ which markets energy products and provides a wide range of energy-related services to customers in the competitive power markets of New England and New York. Texas Liquids engages principally in the marketing and sale of propane and energy in the New Jersey area. AEDR is principally engaged in the home heating oil business. Weatheride is engaged in providing energy management, demand side management, technical services and utility hedging services. Metro West Realty, L.L.C. conducts real estate investment and management activities. 25 Research Drive, L.L.C. was formed to facilitate the proposed acquisition of Eastern Utilities Associates. New England Energy, Inc. is currently inactive. Nexus develops and licenses its software to utilities and operates a website which targets energy consumers for the purpose of helping them make energy choices.¹⁵

NEES Common Stock is listed on the New York Stock Exchange and the Boston Stock Exchange. As of December 31, 1998, there were 59,171,015 shares of NEES Common stock outstanding. On a consolidated basis at the end of 1998, NEES had total assets of \$5.07 billion, net utility assets of \$2.5 billion, total operating revenues of \$2.42 billion, utility operating revenues of \$2.24 billion, and net income of \$190 million.

The Proposed Merger and Subsequent Corporate Structure

In accordance with an Agreement and Plan of Merger ("Merger Agreement"), dated as of December 11, 1998 by and among National Grid, NGG Holdings, LLC, a Massachusetts limited liability

N.H. Hydro (53.97%); and Mass. Hydro (53.97%). All of NEES' other utility subsidiaries are wholly owned by NEES.

¹⁰ Granite State also provides a range of energy and energy-related services, including: sales of electric energy, audits, power quality, fuel supply, repair, maintenance, construction, design, engineering and consulting.

¹¹ NEP also has minority interests in Yankee Atomic Electric Company, Maine Yankee Atomic Power Company and Connecticut Yankee Atomic Power Company, all of which have permanently ceased operations. As a holding company, NEP is exempt from registration under the Act. See *Yankee Atomic Electric Company*, Holding Co. Act Release no. 13048 (Nov. 25, 1955); *Connecticut Yankee Atomic Power Company*, Holding Co. Act Release No. 14768 (Nov. 15, 1963).

¹² All of these subsidiaries are either directly or indirectly wholly owned by NEES, except for (a) Nexus in which NEES Global has a 40.3% ownership interest, (b) AEDR, in which Texas Liquids has a fifty percent voting interest, and (c) Weatheride, in which Texas Liquids has a ten percent voting interest.

¹³ NEES acquired the Unitil interest in exchange for NEES's interest in Fitchburg Gas and Electric Company when that company was merged with Unitil.

¹⁴ NEES Global owns the remaining one percent.

¹⁵ In addition to these nonutility subsidiaries, NEES Global has a 4% ownership interest in Monitoring Technologies, Inc. ("MTC") and a voting interest of 4.67% in Separation Technologies, Inc. ("STI"). MTC designs, develops, manufactures and markets microprocessor-based products that monitor wear and forecast failure of components in machinery. STI is a provider of ash processing equipment, project financing, operations and marketing services related to its equipment.

company and a wholly owned subsidiary of National Grid, and NEES, NEES will become an indirect, wholly owned subsidiary of National Grid. The Merger will be accomplished in several steps. Specifically, NEES will merge with and into NGG Holdings, LLC, with NEES as the surviving entity, and then merge again into another to-be-formed limited liability company (which survives), which in turn will merged into NGG Holdings, Inc. with NGG Holdings, Inc. as the surviving entity.

As consideration for each common share of NEES outstanding at the time of the Merger, NEES shareholders will receive \$53.75 per share in cash. This cash payment will increase by \$0.003288 per share, up to \$0.60 per share, for each day that the Merger closing is delayed longer than six months after NEES shareholders approve the Merger.¹⁶ NEES shareholders will not obtain any stock consideration from National Grid in the Merger. Applicants state that the Merger is expected to have no effect on the outstanding public debt and preferred securities of the NEES Subsidiary Companies.¹⁷

National Grid intends to establish the Intermediate Companies¹⁸ as intermediate holding companies in the corporate structure between National Grid and NEES. The purpose of this structure is to permit both reinvestment and repatriation of the profits of NEES in a tax efficient manner. These entities exist primarily for the purpose of creating an economically efficient and viable structure for the transaction and the ongoing operations of NEES. Applicants, however, note that certain adjustments in this structure may be necessary to reflect tax and accounting changes as well as management decisions prior to consummation of the Merger.

Section 11(b)(2) requires, in effect, that a registered holding company may not have as an indirect subsidiary a company which is itself a holding company as defined in the Act. Section 2(a)(7), which defines what constitutes a holding company within the meaning of the Act, provides that the Commission may, under certain circumstances, determine that a company is not a holding company as defined in that section. Applicants propose that the Intermediate

Companies not be deemed holding companies under section 2(a)(7), solely for purposes of section 11(b)(2).

Following consummation of the Merger, National Grid will file under section 5 as a registered holding company, with NEES as an indirect wholly owned subsidiary registered holding company. National Grid will seek to qualify National Grid Holdings as a foreign utility company within the meaning of section 33 of the Act. Applicants maintain that, as a FUCO, National Grid Holdings will be exempt from all provisions of the Act, except as provided in section 33. In this regard, Applicants seek confirmation that National Grid's investment in National Grid Holdings at the time of consummation of the Merger will not be counted toward the limitation on "aggregate investment" for purposes of rule 53 under the Act. In addition, national Grid will seek to qualify NGG Telecoms Limited and certain subsidiaries of National Grid International Limited as exempt telecommunications companies within the meaning of section 34 of the Act.

Following consummation of the Merger, NEES Common Stock will be deregistered under the Securities Exchange Act of 1934, as amended, and delisted from the New York Stock Exchange and the Boston Stock Exchange. The NEES Agreement and Declaration of Trust will be replaced by corporate bylaws for the surviving entity in the Merger.¹⁹ The Merger Agreement provides that the headquarters of NEES will remain in Massachusetts, with offices for utility operations in Massachusetts, Rhode Island and New Hampshire. The post-Merger NEES board of directors will be comprised of up to nine members designated from among the officers of National Grid and NEES, as mutually agreed by National Grid and NEES. The Merger Agreement provides that the chief executive officer of NEES and an additional director of NEES, each a United States citizen, will serve on National Grid's board of directors. In addition, the then-current outside directors of NEES will be appointed to an advisory board to be maintained for at least two years after the effectiveness of the Merger. The function of the advisory board will be to advise the surviving entity's board of directors with respect to general business opportunities and activities in

the surviving entity's market area as well as customer relations issues.

Financing the Merger

National Grid intends to finance the acquisition of NEES through a combination of borrowings under existing bank facilities and other internal cash sources. It is expected that the acquisition price will be approximately \$3.2 billion. On March 5, 1999, National Grid entered into a fully committed bank facility providing for up to \$2.750 billion in borrowings. The facility has a maturity of three to five years. Applicants seek confirmation that National Grid's borrowing under this credit facility for purposes of financing the Merger would be permissible under the Act.²⁰

Margaret H. McFarland,
Deputy Secretary.

For the Commission, by the Division of Investment Management, under delegated authority.

[FR Doc. 99-27037 Filed 10-15-99; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Small Business Investment Company; Computation of Alternative Maximum Annual Cost of Money to Small Businesses

13 CFR 107.855 limits the maximum annual Cost of Money (as defined in 13 CFR 107.50) that may be imposed upon a Small Business in connection with Financing by means of Loans or through the purchase of Debt Securities. The cited regulation incorporates the term "Debenture Rate", which is defined in 13 CFR 107.50 as the interest rate, as published from time to time in the **Federal Register** by SBA, for ten year debentures issued by Licensees and funded through public sales of certificates bearing SBA's guarantee.

Accordingly, Licensees are hereby notified that effective the date of publication of this Notice, and until further notice, the Debenture Rate, plus the 1 percent annual fee which is added to this Rate to determine a base rate for computation of maximum Cost of Money, is 8.22 percent per annum.

13 CFR 107.855 does not supersede or preempt any applicable law imposing an interest ceiling lower than the ceiling imposed by its own terms. Attention is directed to Section 308(i) of the Small

¹⁶ NEES Shareholders approved the Merger on May 3, 1999.

¹⁷ NEES currently has no public security holders other than common stockholders.

¹⁸ Applicants note that there will be no third party interests, including lenders, minority equity interest holders or customers, in the Intermediate Companies.

¹⁹ Although it is anticipated that NGG Holdings will be the surviving entity in the Merger, Applicants currently intend to convert the surviving entity into a more conventional business corporation, which Applicants anticipate will have the name NEES Holdings, Inc.

²⁰ National Grid, NGG Holdings, the Intermediate Companies, NEES and NEES's subsidiaries have filed an application before the Commission (File No. 70-9519), requesting authority to engage in a variety of post-merger financing and related transactions.