



STATE OF CONNECTICUT



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Attorney General, Consumer Counsel Seek To Enforce Terms of Merger Settlement Agreement With NU

For immediate release

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HARTFORD – Attorney General George Jepsen and Consumer Counsel Elin Swanson Katz today asked state utility regulators to compel Northeast Utilities to respond to questions about layoffs and staffing levels at NU following its merger with NSTAR, as required by the Settlement Agreement.

The March 15 Settlement Agreement that permitted the merger requires 30 days advance notice to the state about any “facility closing or layoff of employees” and a demonstration that any workforce reduction in Connecticut is fair, equitable and proportional to reductions in other states where the utility does business.

NU has acknowledged that 319 employees have left the utility since the merger was completed in April, and that some of these separations were involuntary. On Oct. 25, the Public Utilities Regulatory Authority also posed four questions to the utility concerning staffing levels.

However, in a Nov. 16 response to PURA, NU failed to provide that information and claimed it was not required to do so because the workforce reductions were anticipated as a result of the merger and therefore did not trigger the notice requirement of the settlement agreement.

In their letter to PURA today, Attorney General Jepsen and Consumer Counsel Katz disagreed with the utility’s position. “Under a plain and fair interpretation of the Settlement Agreement, every termination related to the merger is a layoff that requires notice to the Attorney General and OCC, as well as a full detailed demonstration of proportionality,” they wrote.

“NU should be ordered to comply with the plain terms of its settlement now and in the future,” they said.

The Attorney General and Consumer Counsel asked the Authority to “order the Company to respond fully and properly to the questions posed within 10 days, and to provide notice that any future failures to comply with its notice obligations may result in sanctions.”

“The Authority must not permit NU’s direct attempt to abrogate its settlement obligations,” they wrote.

Assistant Attorneys General John Wright and Michael Wertheimer, with Associate Attorney General Joseph Rubin, are assisting the Attorney General with this matter. Attorney Joseph Rosenthal is assisting the Consumer Counsel.

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Click here to view the letter

http://www.ct.gov/ag/lib/ag/press_releases/2012/20121203_settlement_enforcement_letter.pdf

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