



STATE OF CONNECTICUT

ATTORNEY GENERAL GEORGE JEPSEN

CONSUMER COUNSEL ELIN SWANSON KATZ

ATTORNEY GENERAL AND CONSUMER COUNSEL URGE REGULATORS
TO CLARIFY STANDARD OF REVIEW FOR PROPOSED NU/NSTAR MERGER

For immediate release

TUESDAY FEB. 7, 2012

HARTFORD – Attorney General George Jepsen and Consumer Counsel Elin Swanson Katz have asked state utility regulators to clarify that Northeast Utilities and Boston-based NSTAR must show their proposed merger is in the public interest in order to gain state approval.

The Attorney General and Consumer Counsel made the request in a joint motion filed Tuesday with the state Public Utilities Regulatory Authority, which decided last month to evaluate the proposed merger. According to PURA's schedule, hearings begin this month with a preliminary draft decision planned for March 26 and a final PURA decision on April 2. NU filed its application Jan. 19.

State regulators have consistently applied the public interest standard in evaluating earlier proposed mergers or changes of control involving public utility companies, and the Attorney General and Consumer Counsel said they want to make sure the same standard will be applied in this case.

They also want the regulators to state that their approval depends on the utility companies proving that the merger would benefit the state.

"This review will determine whether the proposed merger is in the best interest of Connecticut and its ratepayers. We want the benefits and liabilities to the public evaluated, not just the financial, technological and managerial suitability and responsibility of the companies," the Attorney General and Consumer Counsel said.

In previous decisions, the regulators said the public interest test required two conditions to be met: a proposed merger or change of control must not impose any additional costs on customers and it must provide tangible benefits, such as rate reductions and improved service quality.

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