



STATE OF CONNECTICUT
NEWS RELEASE

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FOR IMMEDIATE RELEASE

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**CONSUMER COUNSEL APPLAUDS PURA'S DECISION
TO REVIEW PROPOSED MERGER**

(January 18, 2012-New Britain, CT) – The Public Utilities Regulatory Authority (PURA) affirmed today in a Final Decision that it will be reviewing the proposed merger of Northeast Utilities and NStar, a Boston-based utility holding company. Northeast Utilities is the corporate parent of Connecticut Light & Power Company (CL&P) and Yankee Gas.

PURA's ruling today is in PURA Docket No. 10-12-05RE01, entitled Petition of the Office of Consumer Counsel for a Declaratory Ruling that the Pending Merger of Northeast Utilities and NStar Requires Approval by the Connecticut Public Utilities Regulatory Authority – Review of New Comments. The Office of Consumer Counsel (OCC) and the Attorney General's Office have been seeking for PURA to review the proposed merger since late 2010, when the transaction was first publicly announced.

Consumer Counsel Elin Swanson Katz stated that she is “pleased on behalf of Connecticut’s utility customers that PURA has decided to review the proposed merger of NU and NStar. This transaction would put CL&P and Yankee Gas under a much larger corporate parent with headquarters in both Hartford and Boston. PURA may need to put conditions in place to ensure that Northeast Utilities, CL&P and Yankee Gas will be responsive to Connecticut’s needs and concerns, including those relating to storm response, customer service, communications with individuals and towns, infrastructure development, and other issues. Massachusetts has sought to protect itself as to these issues in its own comprehensive merger review proceeding, and there are reports that Massachusetts is demanding a substantial share of the merger synergy savings. Connecticut ratepayers should also share in the savings from efficiencies if the merger is consummated.”

PURA noted that its decision to review the merger is in part based on changed circumstances raised by OCC. Specifically, OCC noted to PURA that the breadth of the Massachusetts proceeding and the positions taken by Massachusetts authorities may cause NU to make commitments, as a condition to Massachusetts merger approval, that may impact CL&P's or Yankee Gas's policies and operations. Included in the Massachusetts proceeding are emergency storm response, renewable energy development, transmission and distribution system efficiencies, and other issues. PURA agreed that the potential impact of the Massachusetts proceeding may directly or indirectly interfere with CL&P and Yankee as to issues that fall under PURA's authority.

In deciding to review the merger based on the changed circumstances, today's decision replaces a prior June 1, 2011 Decision by the Department of Public Utility Control (PURA's predecessor) that had declined jurisdiction over the merger.

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The Office of Consumer Counsel (OCC) is the State of Connecticut's advocate for all utility ratepayers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut's electric, gas, telephone, and water utilities and reasonable protection for cable television customers. For more information, visit www.ct.gov/occ.