



ATTORNEY GENERAL GEORGE JEPSEN

JEPSEN SAYS STATE REGULATORS SHOULD REVIEW PROPOSED NORTHEAST UTILITIES MERGER

For Immediate Release

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HARTFORD – Attorney General George Jepsen Monday called on state utility regulators to exercise their “clear authority” to review the proposed merger of Northeast Utilities with Boston-based NSTAR to ensure that Connecticut utility customers are protected.

“This merger has enormous potential ramifications in Connecticut. It is important that any impact on consumers be considered and weighed and any necessary conditions to protect them be imposed before this merger goes through,” Jepsen said.

In written exceptions filed Monday, Jepsen urged the state Department of Public Utility Control to reconsider its draft decision of Jan. 19, in which the department said it had no authority to review the merger because there was no clear change in corporate control.

Jepsen disagreed. “The NU that will exist if the merger is consummated as proposed is a vastly different corporate entity from the NU that currently operates in the state of Connecticut,” he wrote. “The only thing remaining constant after this merger will be the name of the surviving entity – NU.”

Jepsen noted that as proposed, after the merger “NU will be lead by an NSTAR executive from an out-of-state headquarters and overseen by boards of directors and trustees that have as many NSTAR-controlled seats as they do NU seats. Moreover, 44 percent of the stock in the post-merger NU will be held by NSTAR investors.”

Jepsen said the proposed management changes were significant enough to require the department’s review. “These changes are fundamental and indicate that a new entity will have the power to exercise control over Connecticut public service companies CL&P and Yankee Gas,” he said.

In October, NU and NSTAR, a gas-electric utility, announced a stock-for-stock merger that would result in a \$17.5 billion corporation called Northeast Utilities. It would have headquarters in Boston and Hartford and would be one of the nation’s largest utilities.

Assistant Attorneys General Michael C. Wertheimer and John S. Wright are representing Jepsen before the DPUC.

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