



ATTORNEY GENERAL GEORGE JEPSSEN

ATTORNEY GENERAL "DISAPPOINTED" BY FAILURE OF STATE REGULATORS TO REVIEW NU MERGER

For Immediate Release

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HARTFORD -- Attorney General George Jepsen said state utility regulators have short-changed the interests of Connecticut consumers by deciding Wednesday they have no legal authority to review the proposed merger of Northeast Utilities and Massachusetts-based NSTAR.

In October, NU and NSTAR, a gas-electric utility, announced a stock-for-stock merger that the companies said 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.

The state Department of Public Utility Control rejected repeated arguments by Jepsen and the Office of Consumer Counsel that the merger would create a new holding company exercising control over Connecticut operating companies, CL&P and Yankee Gas.

Instead, the regulators said they had no jurisdiction to review the deal because it posed no clear change in corporate control.

"I am disappointed that the DPUC has decided, once again, that it would pass on taking a closer look at this significant corporate change in Connecticut's largest utility company," Jepsen said. "What will the impact be on Connecticut consumers? We just don't know."

"As a result, I can neither support nor oppose this merger because we are lacking the information necessary to determine whether it serves the best interest of the state," Jepsen said.

Jepsen appeared before the DPUC personally in March to urge the independent review. The decision issued by regulators Wednesday is subject to appeal.

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