# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

Town Clerk KJP
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D.P.U. 10-170 December 14, 2010

Joint Petition for Approval of Merger between NSTAR and Northeast Utilities, pursuant to G.L. c. 164, § 96.

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NOTICE OF FILING AND PUBLIC HEARING

On November 24, 2010, NSTAR Electric Company ("NSTAR Electric") and NSTAR Gas Company ("NSTAR Gas"), along with their parent holding company NSTAR, and Western Massachusetts Electric Company ("WMECo"), along with its parent holding company Northeast Utilities ("NU") (collectively, "Joint Petitioners") filed a joint petition with the Department of Public Utilities ("Department") seeking approval, pursuant to G.L. c. 164, § 96, to merge NSTAR and NU into a consolidated organization ("Proposed Merger"). The Department docketed the joint petition as D.P.U. 10-170.

NSTAR and NU entered into an Agreement and Plan of Merger dated October 16, 2010 ("Merger Agreement"). Pursuant to the Merger Agreement, consideration for the Proposed Merger will be primarily equity in the form of NU common shares, although cash will be paid in lieu of fractional shares. At the closing of the proposed merger, each holder of an NSTAR common share would be entitled to receive 1.312 shares of NU common shares. Following the merger's closing, existing NSTAR shareholders would own approximately 44 percent of the equity in the post-merger NU, while existing NU shareholders would own the remaining 56 percent.

The Joint Petitioners state that the Proposed Merger is consistent with the public interest under G.L. c. 164, § 96, including each of the factors that the Department considers in reviewing a proposed transaction under G.L. c. 164, § 96 and its impact on Massachusetts customers. The Joint Petitioners further state that the Proposed Merger will satisfy these important public policy objectives by bringing together two utility holding companies with complementary distribution and transmission assets, a substantial customer base, and a qualified and experienced utility workforce trained to fulfill the public service obligations attendant to the delivery of gas and electric service. According to the Joint Petitioners, this broad-based operating platform will create economies of scale and scope, and resulting public-interest benefits that could not be attained in the absence of the Proposed Merger.

The Joint Petitioners state that the Proposed Merger does not involve the consolidation of NSTAR Electric, NSTAR Gas, or WMECo. Upon the closing of the merger, each of these

entities would remain a separate company, independently subject to the Department's jurisdiction under G.L. c. 164. In addition to approving the Proposed Merger, the Joint Petitioners request the Department to confirm that, following the Proposed Merger, NSTAR Electric, NSTAR Gas and WMECo would retain their respective franchise rights and obligations.

The Joint Petitioners are not proposing any rate changes to take effect upon the closing of the Proposed Merger for customers of NSTAR Electric, NSTAR Gas, and WMECo. The Joint Petitioners request that the Department issue an order in this proceeding by May 15, 2011, with the closing of the Proposed Merger completed as soon as possible thereafter.

A copy of the Joint Petition is available for inspection during regular business hours at the following locations: NSTAR's offices, 800 Boylston Street, Boston, Massachusetts; WMECo's offices, One Federal Street, Building 111-4, Springfield, Massachusetts; and the Department's offices. In addition, the filing is also available on the Department's website at http://www.mass.gov/dpu. For further information regarding the Joint Petition, please contact NSTAR's counsel, Robert J. Keegan, Keegan Werlin LLP, 265 Franklin Street, Boston, Massachusetts 02110, telephone 617-951-1400, or WMECo's counsel, Stephen P. Klionsky, WMECo, 100 Summer Street, Boston, Massachusetts 02110, telephone 617-345-1066.

The Department will conduct a public hearing to receive comments on the joint petition at **2:00 p.m. on Wednesday, January 5, 2011**, at the Department's offices, One South Station, Boston, Massachusetts 02110. The Department will conduct a procedural conference immediately following the public hearing.

Any person interested in commenting on this matter may appear at the public hearing or file written comments with the Department not later than the close of business (5:00 p.m.) on **Monday, January 3, 2011**. Any person interested in participating in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding and written comments not later than the close of business (5:00 p.m.) on **Monday, January 3, 2011.**

A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All comments or petitions to intervene or participate in the proceeding must be filed with the Department of Public Utilities, One South Station, Boston, Massachusetts, 02110, as follows: an original and two copies with Mark D. Marini, Secretary. In addition, copies of all comments or petitions to intervene must be sent to counsel for NSTAR Electric and NSTAR

Gas, Robert J. Keegan, Keegan Werlin LLP, 265 Franklin Street, Boston, Massachusetts 02110, and counsel for WMECo, Stephen P. Klionsky, WMECo, 100 Summer Street, Boston, Massachusetts 02110.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@state.ma.us and the hearing officer [laurie.e.weisman@state.ma.us]; or (2) on a 3.5" disk or CD-ROM. The text of the e-mail, disk label, or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 10-170); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website, http://www.mass.gov/dpu.

Any person desiring further information regarding this notice may contact Laurie Ellen Weisman, Hearing Officer, Department of Public Utilities, One South Station, Boston, Massachusetts, 02110, 617-305-3500.