TESTIMONY OF

DANIEL P. VENORA

ON BEHALF OF
NORTHEAST UTILITIES

MARCH 10, 2011

Raised Bill No. 1140 – An Act Concerning the Department of Public Utility Control's Jurisdiction

My name is Dan Venora, appearing today for Northeast Utilities. I am a partner with the Connecticut law firm of Carmody & Torrance, and was formerly Assistant General Counsel of NU. I have practiced public utility law in the State of Connecticut since 1989. The company appreciates the opportunity to provide comments to you today on Raised Bill No. 1140, and in particular to address the bill's unprecedented expansion of State jurisdiction over holding company transactions.

By way of background, NU is a Massachusetts business trust with its principal office in Springfield, Massachusetts, and is the parent holding company of four public service companies, including The Connecticut Light and Power Company ("CL&P") and Yankee Gas Service Company ("Yankee Gas"). NU has its corporate offices here in Hartford. Through its operating companies, NU provides service to over 2 million electric and gas customers in Connecticut, Massachusetts and New Hampshire. NU's commitment to the region is demonstrated by our business strategy, which is to invest in and operate our regulated businesses to the benefit of customers, employees and shareholders. Our commitment is also demonstrated by our core values, which include placing safety first in all our actions, maintaining the highest ethical standards, respecting diversity, providing superior customer and community service, providing a stimulating workplace for our employees, and delivering each day on our commitment to environmental stewardship.

Utilities in today's economy, and particularly in the northeast, face tremendous challenges in meeting the ever-increasing demands of customers for reliable service at a reasonable cost. NU rises to these challenges every day, and continually examines how it can be best prepared to meet them, including having the financial strength and capabilities to facilitate investments in the state's electric transmission and distribution systems, natural gas infrastructure, power procurement, conservation and energy efficiency programs, and support of the state's renewable energy initiatives. These are no small tasks, and NU works consistently to accomplish them.

NU has determined that a business transaction with one of its neighbors, NSTAR, will provide enhanced financial strength to better position NU to meet these challenges into the future. In recent years there has been widespread utility consolidation throughout the country, and many U.S. utilities have been purchased by larger regional companies or foreign investors. Rather than go that route, NU worked proactively on a strategic transaction that will result in the NSTAR electric and gas utilities (which only serve customers in Massachusetts) joining the family of NU subsidiaries. The addition of NSTAR to the NU portfolio will result in a stronger NU, with a larger, more diverse and better positioned locally-controlled platform to support our customers, our communities and our region. It will enable NU to enhance its service quality capabilities, and facilitate cost-effective investments for the benefit of all our customers. This transaction will enable NU to become a stronger regional utility company that will retain its local roots, continuing to be headquartered here in Hartford, with an additional headquarters in Boston. This is obviously a better path for Connecticut than that taken by other companies that are now run by entities elsewhere in the U.S. or abroad.

Most importantly for purposes of today's discussion, customers of CL&P and Yankee Gas will be completely unaffected by the transaction. CL&P will continue to be part of everyday life in Connecticut as it has for more than 100 years, providing safe and reliable electric service to 1.2 million customers in 149 cities and towns, with 1,900 employees. CL&P will continue to be an active member in the communities it serves, including the largest taxpayer in many, offering programs in energy efficiency, economic development and environmental stewardship. Yankee Gas will remain Connecticut's largest natural gas distribution company, with over 400 employees delivering safe, reliable natural gas service to approximately 205,000 customers in 71 cities and towns.

With respect to rates and service, CL&P and Yankee Gas customers will also be unaffected. Rates will not change as a result of NU's acquisition of NSTAR, and in fact, cannot change unless and until the DPUC approves a rate change under the current law. Service quality will not change, and the DPUC will continue to monitor and oversee company operations as it does today under current law. In fact, the DPUC will continue to have the same broad jurisdiction over the rates, terms, service and operations of CL&P and Yankee Gas. NU is not asking customers to pay for the costs of the transaction as a condition of the merger. Further, over time we expect that synergies and efficiencies will result from our integration process, which will mean operating costs that are lower than they otherwise would be, and savings for our customers. The DPUC's authority under the current law will ensure that customer interests are first and foremost fully protected in this regard. Further, the extensive review of the NSTAR acquisition that the DPUC is currently conducting pursuant to its jurisdiction under current law will provide it with the knowledge base to effectively address issues such as merger savings and benefits in future CL&P and Yankee Gas rate cases.

For about as long as CL&P has been delivering electricity to customers in Connecticut, a fundamental principal of utility law in the United States, established by the U.S. Supreme Court in 1923, has been that the States may regulate rates and service, but they do not own the utilities' property and cannot act in the place of company managers. Connecticut law has been consistent with this principal, protecting customer interests through the DPUC's pervasive jurisdiction over rates and service quality, but respecting the rights of holding companies to govern themselves, conduct business and engage in most transactions without State involvement. With limited exceptions, the State does not regulate most holding company matters.

Raised Bill No. 1140 would substantially change all that. The bill would expand the DPUC's jurisdiction in a manner that is contrary to this fundamental principal of utility regulation, by extending the DPUC's jurisdiction to matters of corporate governance and shareholder rights. This measure is also contrary to Governor Malloy's recent pronouncement that Connecticut is "open for business." As described in my testimony today, Raised Bill No. 1140 is an unnecessary, unconstitutional, inappropriate and unwarranted expansion of the State's regulation of private business, and a violation of the rights of holding companies and their shareholders. For these reasons, ***NU opposes this bill.***

Customer Interests Are Fully Protected Under Current Law

Under the current law, the DPUC regulates and must approve any transaction in which a person or company would acquire control (often called a "change of control") over (a) a Connecticut public service company or (b) the holding company of a Connecticut public service company. As a practical matter, a person or company would acquire "control" over a Connecticut public service company or holding company by acquiring *all or a substantial percentage of its voting securities*. The core concepts of this law have been in place since at least 1935, and during that time the law has fully protected the interests of Connecticut utility customers. The law does so by requiring the DPUC to approve any transaction that would result in a *new entity* taking control over a Connecticut public service company or its parent holding company. The law recognizes that it is unnecessary to require DPUC approval of transactions or other holding company matters that do not result in a new entity acquiring control of a Connecticut public service company (such as CL&P or Yankee Gas) or its parent holding company (such as NU), because the potential impact on customers is remote and adequately addressed under other provisions of existing law.

Holding companies can govern themselves, manage their business, make personnel and management changes, buy and sell assets, issue stock, establish corporate offices and headquarters, and engage in a wide variety of other business transactions, none of which necessitate DPUC approval. Customer interests are fully protected by the State's regulation of transactions involving a change of corporate control, and in all other instances by its broad authority to regulate rates and service. In all instances, the DPUC fully controls whether any of the costs from a transaction would be allowed into rates, whether and when rates would be allowed to change, and also has powers to ensure that there are no negative impacts on service quality or customer service.

"Change of Control" Under The Proposed Bill

The proposed bill would dramatically expand the DPUC's jurisdiction beyond rates and service quality to regulate *internal corporate governance and the exercise of shareholder rights*. The bill would amend §16-47(c) of the Connecticut General Statutes to identify three types of "actions" that would now be subject to DPUC approval. Under the proposed bill, no company without DPUC approval would be permitted to:

- "take any action that would cause its shareholders to own at least one hundred per cent of the shares of such a holding company,"
- "take any action that would result in more than twenty-five per cent of the members on a board of directors of such a holding company being replaced," or
- "take any action that would result in at least a twenty-five per cent increase in the number of positions on the board of directors of such a holding company."

The Proposed Bill Violates a Core Legal Principal of Public Utility Regulation

Public utility regulation cannot extend to company management issues. The U.S. Supreme Court long ago established that the State may regulate public utilities as to *reasonable rates and charges*, but the State is not the owner of company property and therefore does not have the power of management. The bill violates this core principal because it would require companies to obtain DPUC approval for actions of corporate governance and shareholders rights, which are remote from any legitimate interests of customers or provision of utility service.

The first "action" that would be regulated under the proposed bill relates to *share ownership,* and would restrict "any action that would cause [a company's] shareholders to own at least one hundred per cent of the shares of such a holding company." As a practical matter, this provision is not understandable, in that a company does not control its shareholders and cannot "cause" shareholders to do anything. Shareholders act independently of each other and of the company. They are free to buy, hold or sell company shares and have the right to vote their shares to authorize various corporate actions. Except in cases where an individual shareholder's ownership rises to a certain level (10% under the existing Connecticut law), a change in share ownership does not equate to a change of control over the company. Shares change hands continuously in the ordinary course of business. This aspect of the bill is unclear and ambiguous, and fundamentally misstates the relationship of companies to their shareholders.

The second "action" to be regulated under the proposed bill relates to *internal corporate governance*, and again not rates or service. The bill would require the DPUC to approve "any action that would result in more than twenty-five per cent of the members on a board of directors of such a holding company being replaced." Corporate boards have a fiduciary duty to *shareholders*. Board members represent the interests of shareholders in overseeing company management, and typically are elected annually by shareholders. Their qualifications, background and experience and the composition of the overall board is a function of corporate governance, and is remote from any legitimate state interest in regulating rates and service. As a practical matter, board changes occur frequently, in the ordinary course of business as a result of many factors. It is wholly inappropriate for the State to regulate such changes.

In addition, many publicly traded companies (including NU) have independence guidelines for their boards that are approved by the New York Stock Exchange in accordance with rules of the Securities and Exchange Commission. The rights of a public utility holding company and its shareholders to designate or replace board members are the same as those of other publicly traded companies, regardless of the type of service or product that is provided. The proposed bill would inappropriately establish the DPUC as an overseer of holding company boards, regulating corporate governance actions that occur in the ordinary course of business.

The third "action" described in the bill is also a matter of *internal corporate governance.* The bill would require the DPUC to approve "any action that would result in at least a twenty-five per cent increase in the number of positions on the board of directors of such a holding company." As noted above, shareholders routinely elect board members at annual shareholder meetings, and may authorize increases or decreases in the number of board positions for a variety of reasons in the ordinary course of business. Given the small size of many corporate boards, it would not take much to trigger this provision (or the provision discussed above regarding the replacement of board members). As an example, the size of NU's board has varied substantially over the years and currently has 11 members. NU has three board members who are approaching mandatory retirement age, and who, but for the pending transaction with NSTAR, would have to be replaced in the near future. Under the proposed bill, the NU board would be required to seek DPUC approval before then asking shareholders to approve new board members to replace those who are retiring. The DPUC would essentially be performing a corporate governance function, acting as a "super board of directors." I know of no State in the country has such a rule.

The Proposed Bill is Contrary to Public Policy

The scope of the DPUC's jurisdiction over "change of control" transactions has remained the same since at least 1935, with no gaps in regulation that have exposed customers to rate or service quality risks. It would be wrong to abruptly upset a legal framework that continues to fully protect the interests of customers, as it has for at least the last 75 years. Connecticut's business climate does not benefit from reactionary policy-making, or from the inappropriate expansion of State regulation to matters of internal corporate governance and shareholder rights. Given the tremendous challenges faced by utilities in today's economy, and particularly the challenges we face together in Connecticut and the rest of New England, the State should not impose measures like the proposed bill that will increase regulation and make it more difficult to conduct business in the State.

The Proposed Bill Impairs Contract and Property Rights

The proposed bill could affect the rights of parties under contracts that were entered into under current law. The contracts clause of the U.S. Constitution (Art. I, § 10) provides that "No State shall ... pass any ... Law impairing the Obligation of Contracts ...." A law such as the proposed bill that would impair the rights of parties to an existing contract, imposing new obligations on the parties to consummate their transaction, is in our view unconstitutional in violation of the contracts clause. In addition, retroactive legislation that unfairly targets individuals and deprives them of vested rights and property has been challenged on other constitutional grounds, including the takings, due process and equal protection clauses. As a general rule, the law disfavors retroactive application of a statutory change.

We believe the proposed bill would also impair the property rights of shareholders of holding companies, who currently have rights to freely and independently buy and sell their shares in market transactions, and to elect board members and vote on corporate matters, without interference by DPUC regulation.

The proposed bill is also in our view an inappropriate restriction on interstate commerce, in that it would subject companies such as NU (which is a Massachusetts business trust) to Connecticut regulation of its internal corporate governance and shareholder matters. The risk of "unintended consequences" from the proposed bill is high. The relationship to the state's legitimate interest of regulating rates and service is remote.

The Proposed Bill is Unnecessary and a Misuse of Limited Administrative Resources

Under current law, the DPUC has the authority to review (and is in fact reviewing) NU's acquisition of NSTAR. The DPUC's authority also serves to shield customers from any effects of the transaction (or ensure appropriate benefits to customers) in future CL&P

and Yankee Gas rate cases, rate reviews, adjustment clause proceedings and service quality reviews under current law. The DPUC is acting within its existing authority, and as such, there are no gaps in regulation that would necessitate the proposed bill. There are no issues affecting customers that cannot be fully addressed by the DPUC today under current law.

Conclusion

Thank you for the opportunity to comment on Raised Bill No. 1140. NU strongly urges members of the Committee to reject this bill going forward and preserve the appropriate balance that exists under current law.

Addendum to NU Testimony - Key Facts

- NU and NSTAR signed a merger agreement in October, 2010.
- NSTAR owns two utilities that provide service in Massachusetts, which are NSTAR Electric and NSTAR Gas.
- Under the merger agreement, NU will *acquire* NSTAR (and its electric and gas utilities). Following the transaction, NU will continue as the same company that it is today. NSTAR will cease to exist, and NU will be the holding company parent of the NSTAR subsidiaries.
- NU will remain the holding company parent of CL&P and Yankee Gas. There will be no change of control over NU, CL&P or Yankee, and none of these companies are merging with NSTAR.
- CL&P, Yankee Gas, NSTAR Electric and NSTAR Gas will remain separate companies.
- NU will retain its headquarters in Hartford, and will expand its presence in Massachusetts by establishing a headquarters in Boston.
- CL&P and Yankee Gas will continue to be operated by local management as they are today.
- The companies have proposed no layoffs from the transaction. NU expects to achieve efficiencies over time primarily through process improvements, voluntary attrition and retirements. Current terms of the collective bargaining agreements will remain in place.
- The companies have committed to maintain current levels of community involvement and charitable giving.

Addendum to NU Testimony—NU Support and Involvement in Connecticut

Northeast Utilities is the parent holding company of several companies that operate in Connecticut, including: The Connecticut Light and Power Company, Yankee Gas Services Company, Northeast Utilities Service Company, and Rocky River Realty.

These companies are a significant employer within Connecticut, totaling almost **4,400 jobs**. Over **1,500 of these jobs are union employees**, and many of them perform the critical tasks associated with delivering reliable energy services to Connecticut consumers.

Our companies pay over **$100 million annually in municipal property taxes** and we are one of the highest payers of property taxes in each of the communities we have facilities or serve.

Our companies pay over **$200 million in state taxes** associated with Gross Earnings, Sales Use and Income Taxes.

Our companies pay **$1.5 million for CT unemployment taxes**.

Our companies had over **$16 million in tax credit purchases** to assist in low income housing, neighborhood assistance and historic home rehabilitation that was provided to communities throughout the state.

Our companies donated over **$3 million to various charitable entities**, including Operation Fuel and other programs throughout our communities.

Additional examples of NU's support of and involvement the communities we serve in Connecticut:

- CL&P **sponsored and hosted Special Olympics Winter Games for 21st straight year**. The two-day event included 300 athletes, and **700 volunteers** from the community, CL&P, WMECo, Transmission, Yankee Gas and NU helped stage the Games.

- Northeast Utilities has been listed among the top 10 companies in the nation for their **support of the arts** in 2009 by the advocacy group Americans for the Arts.

- Over **80 NU employees**, family members and friends participated in the American Heart Association's **Hartford Heart Walk** in downtown Hartford and they raised over $10,000.

- **75 employees** worked a **Day of Caring** at Avery Heights in Hartford. Avery Heights provides independent and assisted living services to seniors in the Greater Hartford area. NU volunteers performed general cleanup of the grounds including pruning and raking the areas surrounding numerous residential buildings and facilities at the site.

- Northeast Utilities received citations from the state of Connecticut Comptroller's office, the Office of the Treasurer and from Attorney General's office for the company's **support of the Spanish American Merchants Association** and the company's support of its minority business training programs. NU also received the Corporate Award from SAMA.

- CL&P recognized with a Leadership Award from the University of Hartford's **Scholars program** for the company's support of the program through grants and internships provided to students. The program provides half price tuition to students who graduate from a Hartford public school.

- Northeast Utilities Foundation **donated $625,000 to Connecticut's Operation Fuel** to provide energy assistance for people who live in communities served by CL&P and Yankee Gas. It is the largest single corporate donation in Operation Fuel's 34-year history. As a result of this donation, Operation Fuel will be able to help more than 2,000 additional families this winter.

- In its August issue, Military Times EDGE magazine has ranked Northeast Utilities among the **50 best corporate employers for military veterans**. The companies featured on this year's list recognize the benefits of military experience in potential employees.

- CL&P is sponsoring the annual Corporate 5K (3.1 miles) Road Race at Bushnell Park in Hartford to benefit **Special Olympics Connecticut**.

- CL&P and NU **employees provided tutoring help** for nine months in English, math and computers at East Hartford's Langford Elementary School, approximately 30 students enjoyed a fulfilling and positive learning experience that went beyond the traditional classroom. This marks 23 years that CL&P employees have tutored at the school.

Exhibit 99.1

Northeast Utilities

NSTAR

For Immediate Release

NORTHEAST UTILITIES AND NSTAR AGREE TO $17.5 BILLION MERGER OF EQUALS, FORMING NEW ENGLAND'S PREMIER UTILITY COMPANY

Larger, More Diverse and Better Positioned to Support Continued Economic Growth in New England and Meet Customers' Future Energy Needs

Enhanced Earnings Growth Supported by Strong Balance Sheet Benefits Both Shareholder Bases

Strong Cash Flow to Invest in Excellent Transmission Opportunities Provides a Compelling Growth Story

Transaction Expected to be Earnings Accretive in First Year

HARTFORD, CT and BOSTON, MA (October 18, 2010) — Northeast Utilities (NYSE-NU) and NSTAR (NYSE-NST) today announced that both companies' Boards of Trustees have unanimously approved a definitive merger agreement that will create one of the nation's largest utilities, with a total enterprise value of $17.5 billion. The Company will continue to be called Northeast Utilities.

"The combination of Northeast Utilities and NSTAR will create a great New England based company, assuring the regional benefits of a locally controlled energy company for years to come," said Charles W. Shivery, Chairman, President and CEO of Northeast Utilities. "Our companies already have a strong track record of working together for New England. We recently jointly executed an agreement to invest $1.1 billion in new transmission lines to Québec, which will provide low-carbon hydro energy to power one million homes in New England beginning in 2015."

"NSTAR's strong cash flows are very complementary to Northeast Utilities' attractive regulated investment opportunities, mitigating the need for future equity issuances which is a significant benefit for our shareholders," continued Mr. Shivery. "This merger, upon completion, will provide a significant increase in the dividend for Northeast Utilities shareholders and will enable long term dividend growth opportunities that are so important to all of our investors."

Thomas J. May, Chairman, President and CEO of NSTAR said, "This is simply the start. Together, with enhanced financial resources, complementary distribution and transmission assets, reputations for operating excellence and talented employees, we will be able to accomplish great things. NSTAR's very strong balance sheet coupled with Northeast Utilities' impressive array of transmission investment opportunities and diversified suite of distribution businesses translates into a compelling growth story. Merging with Northeast Utilities provides more diverse, stable and higher earnings and dividend growth than NSTAR would have achieved on its own. It also assures that the long track record of success our investors have enjoyed in the past will continue."

Mr. May added, "With this transaction we will create a larger, stronger and more diversified regulated utility with over 9,000 employees in Massachusetts, New Hampshire and Connecticut, thereby benefiting our region as a whole. The combined company will have the scale, employee talent and financial resources to meet the complex and demanding energy needs of customers across New England and provide sustainable energy solutions that will support regional growth."

The companies will come together in a stock for stock merger of equals. The combined company will provide electric and gas energy to over half of the customers in New England.

The combined company will operate six regulated electric and gas utilities in three states and will have nearly 3.5 million electric and gas customers. Northeast Utilities will have nearly 4,500 miles of electric transmission lines, 72,000 miles of electric distribution lines and 6,000 miles of gas distribution lines.

The transaction is expected to be accretive to Northeast Utilities' earnings in the first year following close.

CUSTOMER BENEFITS

The transaction will create many opportunities for the companies to leverage their combined resources to strengthen service quality in the various service territories. The two companies have plans to invest $9 billion in New England's energy infrastructure over the next five years. The combined scope and scale of Northeast Utilities will make investment more cost effective, spread over a larger customer base, allowing investments on a scale that might not be attractive to the companies on a stand-alone basis. In addition, the combined company will share best practices and implement them over the entire customer base. For example, Northeast Utilities and NSTAR have been long recognized by many national and international organizations for the success of their energy-efficiency programs that, when combined, total more than $200 million in annual spending.

Customers will not experience any merger-related rate changes. The merger is expected to produce important long term net savings as a result of efficiencies. These efficiencies are expected to be realized over time primarily through process improvements, voluntary attrition and retirements. Current terms of the collective bargaining agreements will remain in place.

Both companies have longstanding reputations as excellent corporate citizens and Northeast Utilities will maintain the current level of funding for vital civic and philanthropic organizations across its combined service areas.

TERMS

Under the terms of the agreement, NSTAR shareholders would receive 1.312 Northeast Utilities common shares for each NSTAR share that they own in a transaction with a total equity value of $9.5 billion and an enterprise value of $17.5 billion. The exchange ratio reflects a no premium merger based on the average closing share price of each company for the preceding 20 trading days. Following completion of the merger, it is anticipated that Northeast Utilities shareholders would own approximately 56 percent and NSTAR shareholders would own approximately44 percent of the combined company. The agreement provides that, upon closing of the transaction, Northeast Utilities' dividend per share would be increased to a rate that is equivalent to NSTAR's dividend per share, at that time, on an exchange ratio adjusted basis.

ORGANIZATION AND LEADERSHIP

Northeast Utilities will have dual headquarters in Hartford, CT and Boston, MA.

Upon the closing of the transaction, Charles W. Shivery will become the Non-Executive Chairman of Northeast Utilities for a period of 18 months. Thomas J. May will serve as President and CEO of Northeast Utilities and assume the additional role of Chairman after 18 months.

The Board of Trustees of Northeast Utilities will be made up of a combination of Trustees from the two companies, including 7 members nominated by the Board of Northeast Utilities and 7 members nominated by the Board of NSTAR, with the Lead Trustee nominated by the Board of Northeast Utilities.

APPROVALS AND TIMING

The merger is conditioned upon, among other things, approval by two-thirds of the outstanding shares of both companies, the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and reviews by federal and state energy authorities. These include the Massachusetts Department of Public Utilities, the Federal Energy Regulatory Commission (FERC), the Nuclear Regulatory Commission (NRC), the Securities and Exchange Commission (SEC) and the Federal Communications Commission (FCC).

The companies anticipate that the regulatory approvals can be obtained within 9 – 12 months. The companies intend to seek shareholder approval of the transaction in early 2011.

ADVISORS

Barclays Capital is serving as lead financial advisor and Lazard is serving as financial advisor to Northeast Utilities. Skadden, Arps, Slate, Meagher & Flom LLP is serving as transaction counsel to Northeast Utilities. Goldman, Sachs and Co., is serving as lead financial advisor and Lexicon Partners (US) LLC is serving as financial advisor to NSTAR. Ropes & Gray LLP is serving as transaction counsel to NSTAR.

CONFERENCE CALL AND WEBCAST

Northeast Utilities and NSTAR will conduct a conference call at 8:30am EDT on October 18, 2010 to discuss the merger. To participate, please dial (888) 802-8577 (or +1-973-935-8754 if outside the United States), and enter the access code 19106148, approximately 15 minutes before the scheduled start of the call. The conference call will also be accessible live in the Investor Relations section of both the Northeast Utilities website at www.nu.com and the NSTAR website at www.nstar.com.

A replay of the conference call will be available online in the Investor Relations section of both companies' websites and via telephone by dialing (800) 642-1687 (+1-706-645-9291 outside the United States), and entering access code 19106148, beginning 11:30am EDT from October 18, 2010 through 11:59pm EDT on October 24, 2010.

About Northeast Utilities

NU, headquartered in Hartford, operates New England's largest utility system with annual revenues of approximately $5.4 billion and assets of $14.2 billion. NU, and its companies in Connecticut, New Hampshire and Massachusetts, serve more than 2.1 million electric and natural gas customers in nearly 500 cities and towns. For more information, go to www.nu.com.

About NSTAR

NSTAR, headquartered in Boston, is an energy delivery company with annual revenues of approximately $3 billion and assets of $8 billion that serves 1.4 million customers in Massachusetts, including approximately 1.1 million electric distribution customers in 81 communities and 300,000 natural gas distribution customers in 51 communities. For more information, go to www.nstar.com.

Information Concerning Forward-Looking Statements

In addition to historical information, this press release may contain a number of "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Words such as anticipate, expect, project, intend, plan, believe, and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. Forward-looking statements relating to the proposed merger include, but are not limited to: statements about the benefits of the proposed merger involving NSTAR and Northeast

Utilities, including future financial and operating results; NSTAR's and Northeast Utilities' plans, objectives, expectations and intentions; the expected timing of completion of the transaction; and other statements relating to the merger that are not historical facts. Forward-looking statements involve estimates, expectations and projections and, as a result, are subject to risks and uncertainties. There can be no assurance that actual results will not materially differ from expectations. Important factors could cause actual results to differ materially from those indicated by such forward-looking statements. With respect to the proposed merger, these factors include, but are not limited to: risks and uncertainties relating to the ability to obtain the requisite NSTAR and Northeast Utilities shareholder approvals; the risk that NSTAR or Northeast Utilities may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could reduce the anticipated benefits from the merger or cause the parties to abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the length of time necessary to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; the effect of future regulatory or legislative actions on the companies; and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect. These risks, as well as other risks associated with the merger, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that will be filed with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in NSTAR's and Northeast Utilities' reports filed with the SEC and available at the SEC's website at www.sec.gov. Forward-looking statements included in this release speak only as of the date of this release. Neither NSTAR nor Northeast Utilities undertakes any obligation to update its forward-looking statements to reflect events or circumstances after the date of this release.

Additional Information and Where To Find It

In connection with the proposed merger between Northeast Utilities and NSTAR, Northeast Utilities will file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of Northeast Utilities and NSTAR that also constitutes a prospectus of Northeast Utilities. Northeast Utilities and NSTAR will mail the joint proxy statement/prospectus to their respective shareholders. **Northeast Utilities and NSTAR urge investors and shareholders to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** You may obtain copies of all documents filed with the SEC regarding this proposed transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from Northeast Utilities' website (www.nu.com) under the tab "Investors" and then under the heading "Financial/SEC Reports." You may also obtain these documents, free of charge, from NSTAR's website (www.nstar.com) under the tab "Investor Relations."

Participants in the Merger Solicitation

Northeast Utilities, NSTAR and their respective trustees, executive officers and certain other members of management and employees may be soliciting proxies from Northeast Utilities and NSTAR shareholders in favor of the merger and related matters. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Northeast Utilities and NSTAR shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Northeast Utilities' executive officers and trustees in its definitive proxy statement filed with the SEC on April 1, 2010. You can find information about NSTAR's executive officers and trustees in its definitive proxy statement filed with the SEC on March 12, 2010. Additional information about Northeast Utilities' executive officers and trustees and NSTAR's executive officers and trustees can be found in the above-referenced Registration Statement on Form S-4 when it becomes available. You can obtain free copies of these documents from Northeast Utilities and NSTAR using the website information above.

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Post Merger NU Organization Chart: Depicting NSTAR companies as subsidiaries of NU, similar to CL&P and Yankee Gas