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**NU-NSTAR MERGER AS PROPOSED WILL HARM COMPETITIVE ENERGY
MARKETS IN NEW ENGLAND**

*New England Power Generators Association (NEPGA) files intervention petition in MA; additional
action promised in CT, NH, and ME*

Boston, MA –[The New England Power Generators Association, Inc.](http://www.nepga.org) (www.nepga.org) today filed a petition to intervene as a party in the Massachusetts Department of Public Utilities' ("DPU") review of the proposed merger between Northeast Utilities and NStar ("NU-NSTAR"). The Association, whose members' plants represent 85% of all generating capacity in New England, intends to raise similar concerns in Connecticut, New Hampshire, and Maine, each of which would be significantly impacted by the merger.

"NEPGA believes that, without appropriate safeguards for the competitive markets, the proposed merger will substantially and adversely impact the Commonwealth's competitive electricity marketplace and roll back consumer protections, efficiency improvements and environmental benefits that have been painstakingly achieved over the past ten years," said Angela M. O'Connor, President of NEPGA.

Both NU and NStar officials have, on record, stated their intention to pursue rate-base investments in generation. "Such intentions run contrary to the principle of competitive procurement and, if carried out, would create significant impediments to innovation and private investment in both traditional and renewable energy in New England," added O'Connor. "Continuing an environment that encourages the lowest cost competitive procurement of power requires assurance that state and federal regulators will stand firm in support of competition. Reversing direction, even partially, through monopoly development of generation would hurt competition and increase prices to consumers."

NEPGA also believes that the merger as proposed may inhibit alternatives to ratepayer-funded transmission projects, leading to unnecessarily higher long term sunk costs forced on consumers when local generation is both viable and more economic. According to O'Connor, "All new energy infrastructure projects including new transmission should be open, competitive and transparent, to ensure that the region's energy, reliability and environmental goals are being met at the lowest practical cost. This approach also ensures due regard for economic development and jobs within the region."

(more)

Finally, O'Connor noted that this merger could drag New England back to a time when electricity was both produced and provided by a monopoly, as opposed to today's more efficient competitive market, if the merged entities were to return to ratepayer guaranteed investment in generation.

"Ratepayers are served best by competitive selection of power supplies financed with private capital, not ratepayer guarantees, thereby driving innovation and efficiency. The lack of economic competition for electricity led to billions of dollars of utility cost overruns and stranded costs in the 1990's. Rather than returning New England to that situation, NEPGA and its members believe that competitive principles and practices will continue to provide reliable, stable and cost-effective energy supplies to ratepayers."

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NEPGA is a private, non-profit entity that advocates for the business interests of non-utility electric power generators in New England. NEPGA has offices located at 141 Tremont Street, Boston, MA 02111.