

News Release



Contact: Al Lara, Northeast Utilities, 860-728-4616, laraal@nu.com
Caroline Allen, NSTAR, 617-424-2460, caroline.allen@nstar.com

For Immediate Release:

Northern Pass Transmission LLC files Transmission Service Agreement with FERC

December 16, 2010 – A project aimed at importing low-carbon, hydroelectric energy into New England from Québec reached a significant milestone yesterday with the filing of a Transmission Service Agreement (TSA) with the Federal Energy Regulatory Commission (FERC). The TSA details the terms for the commercial use of the proposed transmission line, “Northern Pass,” that would deliver energy into the region. The FERC must approve the agreement in order for the project to move forward.

The TSA was executed by Northern Pass Transmission LLC (Northern Pass) and H.Q. Hydro Renewable Energy, Inc. (a U.S. subsidiary of Hydro-Québec (HQ)) on October 4, 2010. Northern Pass is a New Hampshire company owned jointly by subsidiaries of Northeast Utilities (NYSE:NU) (the parent company of Public Service Company of New Hampshire) and NSTAR (NYSE: NST). The filing summarizes the terms of the arrangements for service over the line and the cost-based formula rate for transmission cost recovery from H.Q. Hydro Renewable Energy, Inc.

The Northern Pass line will be capable of delivering 1,200 megawatts of competitively priced electricity from HQ hydroelectric facilities located in the province of Québec. With enough electricity to power over one million New England homes, this project would help to reduce the region’s greenhouse gas emissions, lower energy prices and lessen the need for natural gas generation.

“This will be one of the first ‘economic’ transmission projects built in New England to tap into low-carbon energy and will make a significant contribution to helping New England meet the Regional Greenhouse Gas Initiative targets that have been set. In fact, a comprehensive analysis by Charles River Associates (CRA) shows that, even with very conservative assumptions, the Northern Pass line will significantly benefit electric customers in New England,” said James Muntz, president of Transmission at Northeast Utilities Service Company. “The CRA report projects that energy prices in the wholesale market will be reduced measurably, potentially saving New England customers \$200 million to \$300 million or more in annual energy costs.”

In addition to cost savings for electric customers, the size of the project will also reduce the New England power market’s reliance on natural gas as a generation fuel, freeing capacity on New England’s gas distribution system to allow expanded access to gas for over 325,000 home heating customers.

“This project is a once-in-a-generation opportunity to align energy and environmental policy in a way that will be of enormous economic benefit to New Hampshire electric consumers, while providing HQ access to New England’s competitive marketplace for its low-carbon, hydroelectric power,” said Gary Long, president and chief operating officer of Public Service Company of New Hampshire. “Because of the participant-funded model, the Northern Pass line will be entirely paid for by H.Q. Hydro Renewable

Energy, Inc, and customers' rates will not increase from this project. In addition, the construction and operation of the line will create hundreds of local jobs and provide significant tax benefits for the citizens of more than 30 New Hampshire communities," Long added.

The project is presently in a planning and permitting phase. The project's preliminary preferred route and alternative routes are being evaluated and will utilize existing transmission rights of way as much as possible. Construction is anticipated to be completed in late 2015. Northern Pass filed its first major permit application with the U.S. Department of Energy on October 14, 2010, for a Presidential Permit to cross the U.S. border. In addition, Northern Pass submitted a formal request to ISO-New England to evaluate the technical merits of the line and its impact on the New England transmission grid.

Hydro-Québec is responsible for the government permitting of the Québec portion of the line.

For more information:

- General project information: <http://northernpass.us/index.html>
- Presidential permit application: <http://northernpass.us/filing.html>
- Establishing the preliminary route: http://northernpass.us/route_information.html
- FERC TSA filing: <http://elibrary.ferc.gov/idmws/search/advResults.asp>

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