



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

PRESS RELEASE

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**STATE TREASURER DENISE L. NAPPIER DIRECTS MORE THAN
\$7.19 MILLION CREDIT TO CL&P CUSTOMERS**

Hartford, Conn. – State Treasurer Denise L. Nappier announced today the return of \$7.195 million for the benefit of ratepayers of Connecticut Light & Power Co. (CL&P). These funds remain from a 2001 CL&P financing transaction, authorized by the Connecticut General Assembly and the Department of Public Utility Control, which financed \$1.438 billion of CL&P's costs associated with deregulation through a Competitive Transition Assessment (CTA) charge on utility bills.

“Now that these bonds have been paid in full, the funds remaining from this transaction should inure to the benefit of ratepayers. This money will reduce CTA charges going forward, providing some much-needed relief to Connecticut residents that pay some of the highest electric rates in the country,” said Treasurer Nappier.

By signing key documents today, Treasurer Nappier authorized the release of \$7.195 million, plus interest, from the bond trustee to CL&P that will be used to reduce the CTA rate paid by customers effective January 1, 2012. As the named “financing entity” under the original enabling legislation for the Rate Reduction Bonds (RRB), Treasurer Nappier’s consent and direction was required to complete this final step.

RRBs are securities that can be sold by various power utility companies. The refunds will be credited back to ratepayers by CL&P throughout 2012.

The sale of nearly \$1.44 billion of RRBs in 2001 was the first of its kind in Connecticut and achieved one of the lowest interest rates of any such transaction in the nation. At the time of the bond sale, savings to CL&P customers was calculated to be \$274 million over the 10 year life of the bonds.

“Not only was the goal of the transaction achieved, but our action today will result in a credit to ratepayers,” Treasurer Nappier said.

The sale of RRBs was permitted in the electric utility restructuring legislation passed by the Connecticut Legislature in April 1998. Nearly \$1.03 billion of the proceeds was used by CL&P to buy out or buy down 15 long-term contracts with independent power plants in the State of Connecticut and the balance of the proceeds were used primarily to reduce CL&P’s financing of its stranded costs charged to customers.

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