



STATE OF CONNECTICUT

NEWS RELEASE

Consumer Counsel Elin Swanson Katz

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Contact: Elin Swanson Katz

Elin.Katz@ct.gov

(860) 614-8424

PURA PROPOSED FINAL DECISION REJECTS IBERDROLA S.A.'s PROPOSED ACQUISITION OF UIL HOLDINGS CORPORATION

NEW BRITAIN, Conn. (June 30, 2015) – Today, the Public Utilities Regulatory Authority (PURA or Authority) released its [Proposed Final Decision](#) in Docket No. 15-03-45, “Joint Application of Iberdrola, S.A., et al, and UIL Holdings Corporation for Approval of a Change of Control.” The Office of Consumer Counsel (OCC) applauds and supports the Authority’s Proposed Final Decision to reject the Joint Application as not being in the public interest.

By the Joint Application, Iberdrola, S.A. (Iberdrola) and UIL Holdings (UIL) proposed a change of control of three Connecticut utilities: The United Illuminating Company (UI), The Connecticut Natural Gas Corporation (CNG), and The Southern Connecticut Gas Company (SCG). The proposed acquiring parent company, Iberdrola, is an international corporation based in Spain, with regulated and unregulated energy and utility holdings in Spain, the United Kingdom, Brazil, Mexico, the United States, and elsewhere.

“We welcome PURA's decision as a strong statement that our regulated utilities should put customers first, and stay true to their mission of serving Connecticut residents and businesses,” said Consumer Counsel Elin Swanson Katz. “This proposed takeover, which would have provided almost \$600 million to shareholders but no meaningful benefits to UI's consumers, was properly rejected by PURA as not in the public interest, and we respectfully urge PURA to reject the acquisition in its final decision.”

The Authority’s Proposed Final Decision, at page 35, notes that the Applicants filed a change in control application but were “not prepared to provide any evidence that would demonstrate that the transaction is in the public interest. To not research or provide evidence as to how the transaction would benefit (or harm) ratepayers demonstrates a lack of concern or interest by the Applicants in this important area.” These statements by PURA about the lack of demonstrated customer value from the transaction are consistent with the OCC’s pre-filed testimony sponsored by its two consultants in this docket, Scott Hempling and Ralph C. Smith. Mr. Hempling demonstrated that the Applicants had not met their burden to demonstrate that the proposed

acquisition is in the public interest, since there are significant risks of harm and the Applicants did not quantify any customer benefits that would result from the transaction. Mr. Smith proposed a variety of conditions to try to protect Connecticut's utilities and customers from financial risks created by this proposed foreign takeover. However, both OCC witnesses testified that there was no way to protect ratepayers from all of the risks involved in the proposed acquisition.

A Final Decision is expected from PURA on July 17, 2015 in this docket.

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