



SNEW NOTICE TO ELECTRIC CUSTOMERS

The Second Taxing District Commission at the meeting of February 21, 2012, voted to adopt a restructuring of SNEW's electric rates. The Commissioners of the District held a public hearing on February 9, 2012 to receive public comments on the final rate report issued by SNEW's electric rate consultants, PLM Electric Power Engineering. The final report was the culmination of a 12-month effort to redesign SNEW's rates to make them more consistent with current utility rate-making practices. The design of SNEW's new rates will make them easier to compare to other electric rates in the region.

The new rate structure results in a residential rate increase of 6.5% and a business/commercial rate decrease between 2% and 4%. Despite the change in rates, SNEW's residential rates will be lower than Connecticut Light & Power's residential rates by approximately 8.5%. The business/commercial rates will be approximately equal to the comparable CL&P rate structure.

The new rate structure will become effective for the May, 2012 electric bill, which customers will receive on or about June 1, 2012. Because it is necessary for the department to modify its customer billing software, it is possible the implementation of the new rates could be delayed until the June, 2012 bill.

The entire rate report can be viewed at www.snew.org. To assist consumers in understanding their new bill and rate structure, SNEW will provide a detailed explanation in the first billing affected by the new rate structure.

The District Commission, concerned about raising rates significantly, has utilized some of SNEW's cash reserves to minimize the impact of SNEW's new rates and ensure that SNEW's customers will be provided rates at a level less than or equal to those of CL&P.