

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

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<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

08017/07-M-0906

## PSC Seeks Comment on Merger of Iberdrola and Energy East

Albany, NY—02/12/08—The New York State Public Service Commission (Commission) today announced it is seeking public comment as to whether to approve Iberdrola, S.A.'s (Iberdrola) proposal to acquire Energy East Corporation, the parent holding company of New York State Electric & Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E).

The dates, locations and times for the hearings are as follows:

### **Tuesday, February 19, 2008**

Putnam County Training and Operations Building  
112 Old Route 4  
Carmel, NY  
**1:00 p.m.**

### **Tuesday, February 19, 2008**

Binghamton State Office Building  
Community Room  
44 Hawley Street  
Binghamton, NY  
**7:00 p.m.**

### **Wednesday, February 20, 2008**

Ithaca Town Hall  
Shirley Raffensperger Meeting Room  
215 North Tioga Street  
Ithaca, NY  
**1:00pm**

**Wednesday, February 20, 2008**

Lancaster Town Hall  
Board Room  
21 Central Avenue  
Lancaster, NY  
**7:00 p.m.**

**Thursday, February 21, 2008**

Rochester Public Library  
Rundell Auditorium  
115 South Avenue  
Rochester, NY  
**1:00 p.m.**

**Friday, February 22, 2008**

Plattsburgh City Hall Chambers  
41 City Hall Place  
Plattsburgh, NY  
**1:00 p.m.**

On August 1, 2007, the companies petitioned for approval of the acquisition under Section 70 of the New York State Public Service Law, which requires that the Commission examine whether the transaction is in the public interest. The Commission may grant the petition, with or without conditions, or deny it, in whole or part.

**Summary Comments Regarding the Merger**

In testimony filed with the Commission, the petitioning companies state that NYSEG and RG&E customers would benefit from Iberdrola's experience as an energy provider in Spain and globally; its financial stability; and its commitment to clean and efficient energy technologies, good customer service, system reliability, and support of local communities.

In other testimony, Staff of the New York State Department of Public Service states that the merger would not, without modification, benefit customers economically; the merger would discourage wind energy investments, unless the Commission bars Iberdrola and Energy East from owning generating plants in New York; and the Commission should require additional measures to protect NYSEG and RG&E customers from the financial risks of Iberdrola's other

businesses, to maintain access to the companies' financial records, and to ensure adequate system reliability and customer service.

The City of Rochester's testimony states that the merged companies should be required to address environmental and aesthetic issues associated with various RG&E facilities. Greater Rochester Enterprise states that the merger's benefits for current and potential customers would stimulate economic development; and the Independent Power Producers of New York, Inc. states that the merged companies should not be allowed to own RG&E's Russell Station or certain other generating plants in New York.

The Natural Resources Defense Council states that the merged companies should be required to set targets for reductions in energy demand and decouple sales from revenues as an incentive to meeting these targets, and that this merger would promote the development of renewable energy in New York. The New York Association of Public Power and the New York State Rural Electric Cooperative Association state that the merger would aggravate alleged reliability problems in NYSEG's service to Steuben Electric, Delaware County Electric, and Otsego Electric Cooperatives.

The New York State Department of Economic Development (Empire State Development) states that the merger, if properly structured, would provide clean, reliable, and economical energy services and encourage economic development, and should not lead NYSEG and RG&E to eliminate jobs or remove their headquarters. The New York State Department of Environmental Conservation states that the development of more wind energy is a goal that should be considered when the merger is reviewed. Nucor Steel Auburn Inc. states that the Commission should require stronger assurances of tangible benefits to New York customers.

The full text of the testimony summarized above, and related exhibits are posted on the Department of Public Service's Web site at [http://www.dps.state.ny.us/Case\\_07-M-0906.html](http://www.dps.state.ny.us/Case_07-M-0906.html). Many public libraries provide free Internet access.

### **Public Statement Hearings**

The public statement hearings will be held before an Administrative Law Judge assigned by the Commission to hear the case. To speak at the hearings, it is not necessary to make an appointment in advance or present written material. Persons will be called to speak after completing a request card. All comments at the hearings will be transcribed and become part of the Commission's formal record. Each hearing session will remain open for at least one hour, and will continue until everyone wishing to speak has been heard or other reasonable arrangements are made.

Disabled persons requiring special accommodations should contact the Department of Public Service's Human Resource Management Office at (518) 474-2520 as soon as possible.

### **Other Ways to Comment**

**Writing:** Those who cannot attend or prefer not to speak at a public statement hearing may comment by writing to Jaclyn A. Brillling, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Your comment should refer to "Case 07-M-0906—Iberdrola Merger."

**Toll-free Opinion Line:** You may call the Commission's Opinion Line at 1-800-335-2120. This number is set up to take comments about pending cases from in-state callers, 24 hours a day. Callers should press "1" to leave comments about the Iberdrola merger proposal.

**Internet:** Comments may also be made via the "PSC Comment Form," in the "Consumer Assistance" file accessed through the Commission's Web site at <http://www.dps.state.ny.us>.

All comments via these alternative methods should be submitted, or mailed and postmarked, no later than March 31, 2008. All such statements and comments will become part of the record, be made available for inspection in the Commission's Files Room, and be reported to the Commission for its consideration.