

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-28034)

Filings Under the Public Utility Holding Company Act of 1935, as Amended (“Act”)

September 21, 2005

Notice is hereby given that the following filing has been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the Declaration for complete statements of the proposed transactions summarized below. The Declaration and any amendments are available for public inspection through the Commission’s Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the Declaration should submit their views in writing by **October 17, 2005**, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the declarants at the addresses specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in this matter. After **October 17, 2005**, the Declaration, as filed or as amended, may be granted or/or permitted to become effective.

Northeast Utilities, et al. (70-10315)

Northeast Utilities (“NU”), a public utility holding company registered under the Act, located at One Federal Street, Springfield Massachusetts, 01105; has filed a Declaration seeking authorization under sections 6(a) and 7 of the Act and rules 53 and 54 under the Act for debt and equity financing and related transactions. NU is the parent of a number of companies comprising

the NU system (the "System") and is not itself an operating company. The System furnishes franchised retail electric service in Connecticut, New Hampshire and western Massachusetts through three of NU's wholly-owned subsidiaries, The Connecticut Light and Power Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company. In addition, NU owns Holyoke Water Power Company ("HWP"), a utility for purposes of the Act. HWP owns a 147 megawatt coal-fired plant in Holyoke, Massachusetts and sells all of the output of its generation assets directly to a non-utility affiliate, Select Energy, Inc., under a wholesale contract.

NU is also the parent of Yankee Energy System, Inc. ("YES"), an exempt gas utility holding company. YES is primarily engaged in the retail distribution of natural gas through its wholly-owned subsidiary, Yankee Gas Services Company, a Connecticut retail gas distribution company, and also has several nonutility subsidiaries.

NU Enterprises, Inc. ("NUEI"), a wholly-owned subsidiary of NU, acts as the holding company for NU's unregulated businesses. NUEI has numerous direct and indirect nonutility subsidiaries, including, Select Energy, Inc.; Northeast Generation Company ("NGC"), the system's only exempt wholesale generator ("EWG"); Mode 1 Communications, Inc. and Woods Network Services, Inc., exempt telecommunications companies as defined in Section 34 of the Act; Select Energy Services, Inc., a nonutility subsidiary whose securities NUEI acquired pursuant to express Commission authorization (see Holding Co. Act Release No. 26939, November 12, 1998); and other "energy-related companies" as defined in Rule 58 under the Act, such as E. S. Boulos Company and Northeast Generation Services Company.

The current authorization of NU to engage in long-term financing transactions and other related transactions is set forth in Release No. 35-27659, 70-10051 (March 18, 2003) (the "Prior

Order”). The Prior Order authorized NU to issue up to \$600 million in long-term debt and to enter into hedging transactions with respect to existing indebtedness of NU and its nonutility subsidiaries (“Nonutility Subsidiaries”)¹ and enter into hedging transactions with respect to future expected debt issuances of NU and its Nonutility Subsidiaries through June 30, 2005. Under the Prior Order, NU, in March 2003 executed two rate swaps from fixed to floating rates on \$263 million of 7.25% Senior notes, Series A, due 2012, and in June 2003, NU issued \$150 million of 3.30% Senior Notes, Series B, due 2008. On June 30, 2004 (Release No. 35-27870, File No. 70-9755), the Commission authorized NU to issue up to \$450 million in short-term debt through June 30, 2007 and to also enter into interest rate hedges on such debt.

NU requests approval for a program of external financing and other related proposals for the period commencing upon the issuance of the Commission order sought through this Declaration and extending through February 8, 2006 (“Authorization Period”). Specifically, NU is requesting authorization:

(i) to issue and sell, from time to time during the Authorization Period, any combination of the following types of securities, provided that the aggregate amount of all such new securities issued during the Authorization Period shall not exceed \$750 million outstanding at any time: (A) common shares (including options and warrants exercisable for common shares), share purchase contracts (“Share Purchase Contracts”), share units consisting of a Share Purchase Contract coupled with a debt security or preferred security of NU or an affiliated entity (“Share Purchase Units”) and/or other equity or equity-linked securities of types generally sold in the current marketplace (collectively, “Equity Securities”), (B) preferred securities (including

¹ Nonutility Subsidiaries include companies formed according to rule 58 of the Act, EWGs, foreign utility companies, as defined in the Act, exempt telecommunications companies and other competitive direct or indirect subsidiaries of NU, the acquisition of which has been authorized by Commission orders.

without limitation preferred stock and monthly income preferred trust securities) ("Preferred Securities"), and (C) long-term debt securities having maturities of one to fifty years ("Long-term Debt"); and

(ii) to the extent not exempt under Rule 52, to enter into various risk management instruments commonly used in today's capital markets to manage equity price and credit risk ("Equity Hedges"), to manage interest rate risk with respect to existing indebtedness of NU and its Nonutility Subsidiaries ("Interest Rate Hedges" and collectively with Equity Hedges, "Hedges"), and to enter into hedging transactions ("Anticipatory Hedges") with respect to anticipatory debt issuances of NU and its Nonutility Subsidiaries in order to lock in current interest rates and/or manage interest rate risk exposure.

NU's request is for authority to issue and sell directly from time to time during the Authorization Period, (i) Equity Securities, (ii) Preferred Securities, and (iii) Long-term Debt, provided that the aggregate amount of all such new securities issued during the Authorization Period shall not exceed \$750 million at any time outstanding.

All securities issued by NU in accordance with the authorization requested in the Declaration, including, without limitation, securities issued for the purpose of refunding or retiring outstanding securities, will comply with the applicable parameters set forth below.

NU contemplates that such securities will be issued and sold directly to the public in one or more offerings registered under the Securities Act of 1933, as amended (the "1933 Act") either (i) through underwriters selected by negotiation or competitive bidding or (ii) through a selling agent acting either as agent or as principal for resale to the public either directly or through dealers, or to one or more purchasers in privately-negotiated transactions or to one or more investment banking or underwriting firms or other entities who would resell such securities

without registration under the 1933 Act in reliance upon one or more applicable exemptions from registration under the 1933 Act. All such securities sales will be at rates or prices and under conditions negotiated or based upon, or otherwise determined by, competitive capital markets.

Equity Securities issued and sold by NU under the authorization sought in the Declaration may be issued and sold according to underwriting agreements of a type generally standard in the industry. Equity Securities may take the form of Common Shares, Share Purchase Contracts, Share Purchase Units and other equity or equity-linked securities products of types then offered in the marketplace. Public distributions may be accomplished through private negotiation with underwriters, dealers or agents, as discussed below, or effected through competitive bidding among underwriters. In addition, sales may be made through private placements or other non-public offerings to one or more persons. If underwriters are used in the sale of such securities, such securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Such securities may be offered to the public either through underwriting syndicates (which may be represented by a managing underwriter or underwriters designated by NU) or directly by one or more underwriters acting alone, or may be sold directly by NU or through agents designated by NU from time to time. If dealers are used in the sale of such securities, NU will sell such securities to the dealers, as principals. Any dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale. If Equity Securities are being sold in an underwritten offering, NU may grant the underwriters thereof an option permitting the purchase from NU of additional Equity Securities at the same price then being offered. The price applicable to additional shares sold in any such transaction will be based on

several factors, including the current market price of the common stock and prevailing capital market conditions. These transactions could occur in connection with forward sales of NU's common shares.

Share Purchase Contracts would obligate holders to purchase from NU, and NU to sell to the holders, a variable or specified number of Common Shares at a future date or dates (typically between three and five years after the date of issuance). The price per share of Common Shares may be fixed at the time the Share Purchase Contracts are issued or may be determined by reference to a specific formula set forth in the Share Purchase Contracts. Share Purchase Contracts may be issued separately or as a part of Share Purchase Units (a form of "equity-linked" security), which would consist of a Share Purchase Contract and/or debt securities of NU or its affiliates and/or debt obligations of third parties, including U.S. Treasury securities and/or preferred securities, securing the holders' obligations to purchase the Common Shares under the Share Purchase Contracts. Share Purchase Contracts may require NU to make periodic payments to the holders of some or all of the Share Purchase Units or vice versa, and such payments may be unsecured or prefunded on some basis. The Share Purchase Contracts may require holders to secure their obligations under these Share Purchase Contracts in a specified manner.²

Preferred Securities sold under the authorization sought in the Declaration may be issued in one or more series with such rights, preferences, and priorities as may be designated in the instrument creating each such series, as determined by NU's Board of Trustees. Dividends or distributions on Preferred Securities will be made periodically and to the extent funds are legally

² The Commission has previously authorized registered holding companies to issue and sell Share Purchase Contracts and Share Purchase Units (sometimes referred to as equity-linked securities). See Dominion Resources, Inc., Holding Company Release No. 27927, December 22, 2004; Ameren Corporation, Holding Company Release No. 27860 (June 18, 2004); American Electric Power Company, Inc., Holding Company Act Release No. 27517 (Apr. 11, 2004); NiSource Inc., Holding Co. Act Release No. 27789 (Dec. 30, 2003).

available for such purpose, but may be made subject to terms which allow the issuer to defer dividend payments or distributions for specified periods or may be non-cumulative. Preferred Securities may be convertible or exchangeable into shares of Common Shares or other securities that NU is authorized to issue. The liquidation preference, dividend or distribution rates, redemption provisions, voting rights, sinking fund provisions, maturities, conversion or exchange rights, and other terms and conditions of a particular series of preferred securities, as well as any associated placement, underwriting, structuring or selling agent fees, commissions and discounts, if any, will be established by negotiation or competitive bidding and reflected in the applicable certificate of designation, purchase agreement or underwriting agreement, and other relevant instruments setting forth such terms.

Long-term Debt may be issued in one or more series in the form of unsecured notes or debentures with such rights, preferences, and priorities as may be designated in the instrument creating each such series, as determined by NU's Board of Trustees. Long-term Debt of a particular series (a) may be convertible into any other securities that NU is authorized to issue, (b) may be subject to optional and/or mandatory redemption, in whole or in part, at par or at various premiums above the principal amount thereof, (c) may be entitled to mandatory or optional sinking fund provisions, and (d) may provide for reset of the coupon pursuant to a remarketing arrangement. The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, with respect to the Long-term Debt of a particular series, as well as any associated placement, underwriting or selling agent fees, commissions and discounts, if any, will be established by negotiation or competitive bidding.

The following general terms will be applicable where appropriate to the proposed external financing activities of NU requested to be authorized (including, without limitation, securities issued for the purpose of refinancing or refunding outstanding securities of the issuer):³

(a) The effective cost of capital (i.e., the aggregate of all payments, including interest, dividend distributions and other periodic payments) in respect of Share Purchase Contracts, Share Purchase Units, Long-term Debt and Preferred Securities will not exceed competitive market rates available at the time of issuance for securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality; provided that, in no event will the effective cost of capital (i) on any series of Share Purchase Contracts or Share Purchase Units exceed at the time of issuance 700 basis points over the yield to maturity of comparable-term U.S. Treasury securities; (ii) on any series of Long-term Debt exceed at the time of issuance 500 basis points over the yield to maturity of comparable-term U.S. Treasury securities if the interest rate on such Long-term Debt securities is a fixed rate or, if the rate on such Long-term Debt securities is a floating rate, 500 basis points over the London Interbank Offered Rate ("LIBOR"); and (iii) on any series of Preferred Securities, exceed at the time of issuance 600 basis points over the yield to maturity of comparable-term U.S. Treasury securities.

(b) The maturity of Long-term Debt will be between one year and 50 years after the issuance of the debt instrument.

(c) The underwriting fees, commissions or other similar remuneration paid in connection with any non-competitive issuance, sale or distribution of securities under to the authorization

³ The Commission has previously authorized financing transactions subject to these same general parameters. See e.g., Dominion Resources, Inc., Holding Co. Act Release No. 27927, December 22, 2004; AGL Resources Inc., et al., Holding Co. Act Release No. 27828 (Apr. 1, 2004); Exelon Corporation, et al., Holding Co. Act Release No. 27830 (Apr. 1, 2004); Ameren Corporation, et al., Holding Co. Release No. 27860 (June 18, 2004).

requested in this Declaration will not exceed the greater of (a) 700 basis points of the principal or face amount of the securities being issued or (b) issuance expenses that are generally paid at the time of the pricing for sales of similar securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality.

(d) NU states that it and its public utility subsidiaries are financially sound and each has investment-grade ratings from major national rating agencies on its senior secured or unsecured debt. NU commits that at all times during the Authorization Period, it will maintain at least an investment-grade senior unsecured long-term debt rating by at least one nationally recognized rating agency and will maintain common equity (as reflected, in the most recent Form 10-K or Form 10-Q filed with the Commission) of at least 30% of its consolidated capitalization; provided that NU will in any event be authorized to issue Common Shares to the extent authorized in this matter. The term “consolidated capitalization” is defined to include, where applicable, common stock equity (comprised of common stock, additional paid in capital, retained earnings, accumulated other comprehensive income or loss and/or treasury stock), minority interests, preferred stock, preferred securities, equity linked securities, long-term debt, short-term debt and current maturities, with the term “debt” deemed to include rate reduction bonds and rate reduction certificates; except that, whether or not common stock equity comprises 30% of NU’s consolidated capitalization, NU may issue common stock at any time during the Authorization Period, subject to the other applicable terms and conditions in the Declaration.

(e) NU states that (a) within four business days after the occurrence of a Ratings Event, NU will notify the Commission of its occurrence (by means of a letter, via fax, email or overnight mail to the Office of Public Utility Regulation), and (b) within 30 days after the occurrence of a Ratings Event, NU will submit a post-effective amendment to this Declaration

explaining the material facts and circumstances relating to that Ratings Event (including the basis on which, taking into account the interests of investors, consumers and the public as well as other applicable criteria under the Act, it remains appropriate for NU to issue the securities for which authorization has been requested in this Declaration, so long as NU continues to comply with the other applicable terms and conditions specified in the Commission's order authorizing the transactions requested in this Declaration). Furthermore, no securities authorized as a result of this Declaration will be issued following the 60th day after a Ratings Event (other than common stock) by NU if it has experienced a Ratings Event. NU also requests that the Commission reserve jurisdiction, through the remainder of the Authorization Period, over the issuance of any authorized securities in this Declaration (other than common stock) the issuance of which is prohibited after the 60th day following a Ratings Event. NU's senior unsecured long-term debt securities are currently rated BBB- by Standard & Poor's Inc., Baa2 by Moody's Investors Service and BBB by Fitch. None of NU's other securities are rated. For these purposes, (a) a security will be deemed "investment grade" if it is rated investment grade by any of Moody's Investors Service, Standard & Poor's, Fitch Ratings or any other nationally recognized statistical rating agency (as defined by the Commission in rules adopted under the Securities Exchange Act of 1934, as amended) and (b) a "Ratings Event" will be deemed to have occurred if, during the Authorization Period, (i) any outstanding security of NU is downgraded below investment grade; or (ii) any security issued by NU upon original issuance is rated below investment grade.

(f) No security will be issued under the authorization sought in this Declaration after the last day of the Authorization Period (February 8, 2006).

(g) The proceeds from the financings authorized by the Commission under this Declaration will be used for general corporate purposes, including (i) financing, in part, investments by and capital expenditures of NU and its subsidiaries, (ii) the acquisition, retirement or redemption by NU of any of its own securities under Rule 42, (iii) financing working capital requirements of NU and its subsidiaries, including by making contributions to the NU Money Pool, and/or (iv) the acquisition of the securities or assets of other companies, as may be authorized by the Commission in a separate proceeding or as otherwise permissible under law. NU represents that no financing proceeds will be used to acquire the equity securities of any new subsidiary unless the acquisition has been approved by the Commission in this proceeding or in a separate proceeding or is permissible in accordance with an exemption under the Act or rules under the Act, including Sections 32 and 33 and Rule 58. None of the proceeds from the transactions proposed in this Declaration will be used by NU or its subsidiaries to acquire any securities of, or any interest in, an EWG or a foreign utility company (“FUCO”).

Subject to the terms of this Declaration, NU requests authorization to enter into hedging transactions in connection with the issuance and sale of securities to manage equity price and credit risk of the securities and to enter into hedging transaction to manage interest rate risk with respect to existing indebtedness of NU and its Nonutility Subsidiaries. Hedges would be accomplished through the entering into, purchasing and selling of various risk management instruments commonly used in today's capital markets, such as interest rate, credit and equity swaps, caps, collars, floors, options, forwards, futures, forward issuance agreements, the sale and/or purchase of various call or put options or warrants, or transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities or U.S. government agency (e.g., Fannie Mae) obligations, or LIBOR-based swap instruments, and similar products designed to

manage market price, credit and interest rate risks. Hedges would be used as a means of prudently managing the risk associated with the outstanding security (equity or debt) issued under the authorization requested in this Declaration. In no case will the notional principal amount of any Hedge exceed the face value of the underlying security except to the extent necessary to adjust for differing price movements between the underlying and hedged securities or to allow for the fees related to the transaction. Transactions will be entered into for a fixed or determinable period.

Hedges would only be entered into with counterparties ("Approved Counterparties") whose senior unsecured debt ratings, or the senior unsecured debt ratings of the parent companies of the counterparties, as published by S&P, are equal to or greater than BBB, or an equivalent rating from Moody's or Fitch Inc. NU will not engage in leveraged or speculative transactions under the authority sought in this Declaration. Fees, commissions and other amounts payable to the counterparty (excluding, however, the swap or option payments) in connection with any Hedge issued will not exceed those generally obtainable in competitive markets for parties of comparable credit quality.

In addition, NU requests authorization to enter into interest rate hedging transactions with respect to anticipated debt of NU and its Nonutility Subsidiaries (the "Anticipatory Hedges"), subject to certain limitations and restrictions. These Anticipatory Hedges would only be entered into with Approved Counterparties, and would be utilized to fix and/or limit the interest rate risk associated with any new issuance through (i) a forward sale of exchange-traded U.S. Treasury futures contracts, U.S. Treasury Securities and/or a forward-dated swap (each a "Forward Sale"), (ii) the purchase of put options on U.S. Treasury Securities (a "Put Options Purchase"), (iii) a Put Options Purchase in combination with the sale of call options on U.S. Treasury Securities (a

"Zero Cost Collar"), (iv) transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities, or (v) some combination of a Forward Sale, Put Options Purchase, Zero Cost Collar and/or other derivative or cash transactions, including, but not limited to structured notes, caps and collars, appropriate for the Anticipatory Hedges.

According to NU, it will comply with Statement of Financial Accounting Standards ("SFAS") 133 ("Accounting for Derivative Instruments and Hedging Activities") and SFAS 138 ("Accounting for Certain Derivative Instruments and Certain Hedging Activities") or other standards relating to accounting for derivative transactions as are adopted and implemented by the Financial Accounting Standards Board ("FASB"). NU represents that each Hedge and each Anticipatory Hedge will qualify for hedge accounting treatment under the current FASB

standards in effect and as determined as of the date on which NU enters into each such Hedge or Anticipatory Hedge. NU will also comply with any future FASB financial disclosure requirements associated with hedging transactions.⁴

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz
Secretary

⁴ The proposed terms and conditions of the Hedges and Anticipatory Hedges are substantially the same as the Commission has approved in other cases. In addition to the October 2001 Order, see Dominion Resources, Holding Co. Act Release No. 27927 (December 22, 2004); Ameren Corporation, Holding Co. Act Release No. 27860 (June 18, 2004); NiSource Inc., Holding Co. Act Release No. 27789 (Dec. 30, 2003); FirstEnergy Corp., Holding Co. Act Release No. 27694 (June 30, 2003).