

# AGA Financial Forum

May 17 - 19, 2015

## Safe Harbor

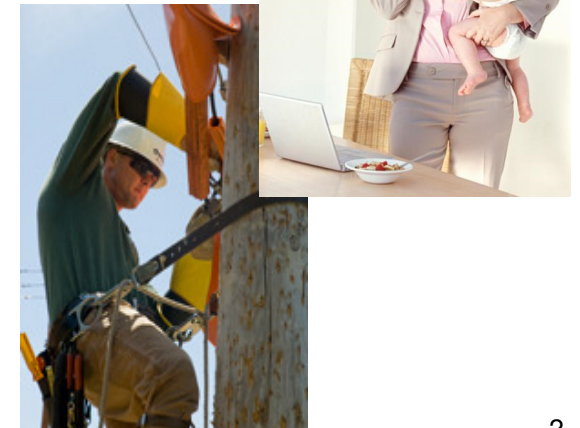
This presentation includes statements concerning Eversource's expectations, beliefs, plans, objectives, goals, strategies, assumptions of future events, future financial performance or growth and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, readers and the audience can identify these forward-looking statements through the use of words or phrases such as "estimate," "expect," "anticipate," "intend," "plan," "project," "believe," "forecast," "should," "could," and other similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results or outcomes to differ materially from those included in the forward-looking statements. Factors that may cause actual results to differ materially from those included in the forward-looking statements include, but are not limited to, cyber breaches, acts of war or terrorism, or grid disturbances; actions or inaction of local, state and federal regulatory and taxing bodies; changes in business and economic conditions, including their impact on interest rates, bad debt expense and demand for Eversource's products and services; fluctuations in weather patterns; changes in laws, regulations or regulatory policy; changes in levels or timing of capital expenditures; disruptions in the capital markets or other events that make Eversource's access to necessary capital more difficult or costly; developments in legal or public policy doctrines; technological developments; changes in accounting standards and financial reporting regulations; actions of rating agencies; and other presently unknown or unforeseen factors. Other risk factors are detailed from time to time in Eversource's reports filed with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which such statement is made, and Eversource undertakes no obligation to update the information contained in any forward-looking statements to reflect developments or circumstances occurring after the statement is made or to reflect the occurrence of unanticipated events.

All per share amounts in this presentation are reported on a diluted basis. The only common equity securities that are publicly traded are common shares of Eversource parent. The earnings per share (EPS) of each business do not represent a direct legal interest in the assets and liabilities allocated to such business, but rather represent a direct interest in Eversource's assets and liabilities as a whole. EPS by business is a non-GAAP (not determined using generally accepted accounting principles) measure that is calculated by dividing the net income or loss attributable to controlling interests of each business by the weighted average diluted Eversource parent common shares outstanding for the period. In addition, recurring EPS excluding certain charges related to the April 10, 2012 closing of the merger between Northeast Utilities and NSTAR are non-GAAP financial measures. Management uses these non-GAAP financial measures to evaluate earnings results and to provide details of earnings results by business and to more fully compare and explain Eversource's results without including the impact of the non-recurring merger and related settlement costs. Management believes that these non-GAAP financial measures are useful to investors to evaluate the actual and projected financial performance and contribution of Eversource's businesses. Non-GAAP financial measures should not be considered as alternatives to Eversource consolidated net income attributable to controlling interests or EPS determined in accordance with GAAP as indicators of Eversource's operating performance.

- Welcome to...

# EVERSOURCE

- One Company...One Team...One Name
- Delivering Reliable Energy and Superior Customer Service



# Total Shareholder Return

## ...Our Report Card to Shareholders...

- Provided double-digit return for 6th consecutive year
- 2014 return more than double the S&P 500's return
- Outperformed both the EEI Index and S&P 500

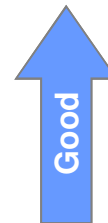
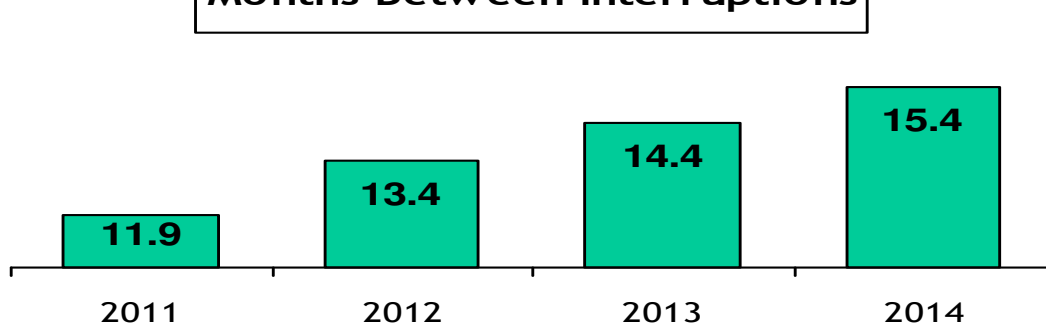
	<b>2014</b>	<b>5-Year</b>	<b>10-Year</b>
<b>Eversource</b>	<b>30.5%</b>	<b>145.8%</b>	<b>297.7%</b>
EEI Index	28.9%	91.0%	156.0%
S&P 500	13.7%	105.1%	109.4%

# Operating Performance – Our Report Card to Customers



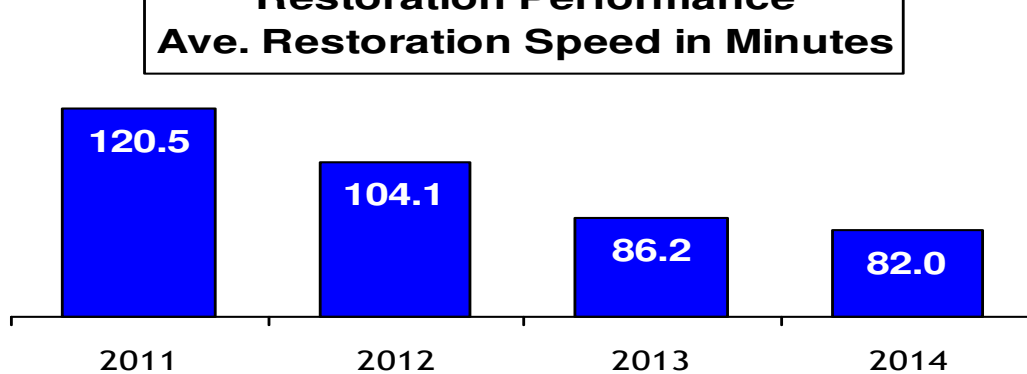
**Overall system reliability in 2014 was the “Best Ever”**

**Reliability Performance  
Months Between Interruptions**



**1<sup>st</sup> quartile of industry peers**

**Restoration Performance  
Ave. Restoration Speed in Minutes**

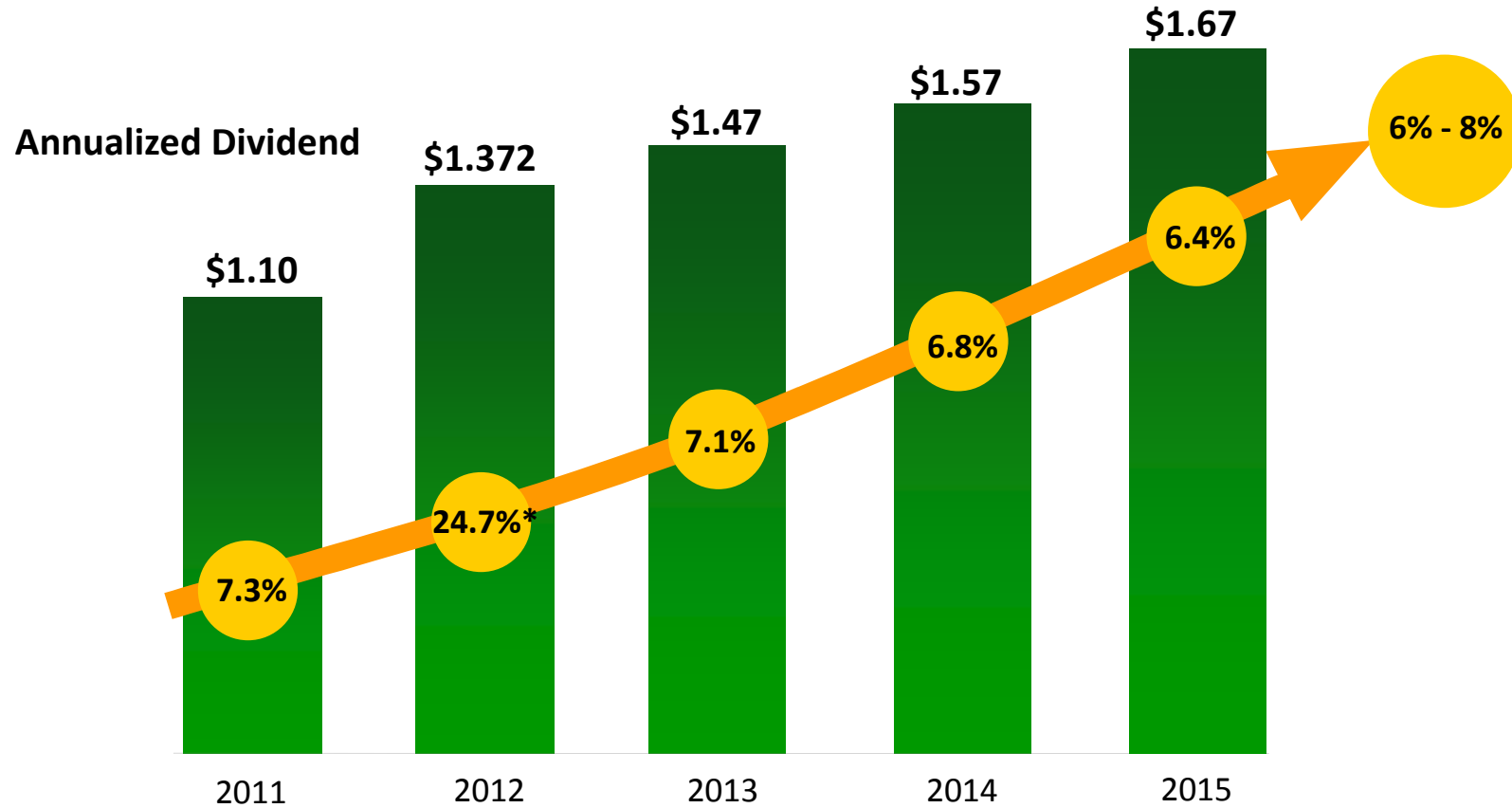


# Q1 2015 vs. Q1 2014

EPS	Q1 2015	Q1 2014
Electric Distribution	\$0.41	\$0.35
Electric Transmission	\$0.21	\$0.24
Natural Gas Distribution	\$0.18	\$0.16
Parent & Other	\$0.01	\$0.01
<b>Recurring EPS</b>	<b>\$0.81</b>	<b>\$0.76</b>
Integration Costs	(\$0.01)	(\$0.02)
<b>Reported EPS (GAAP)</b>	<b>\$0.80</b>	<b>\$0.74</b>

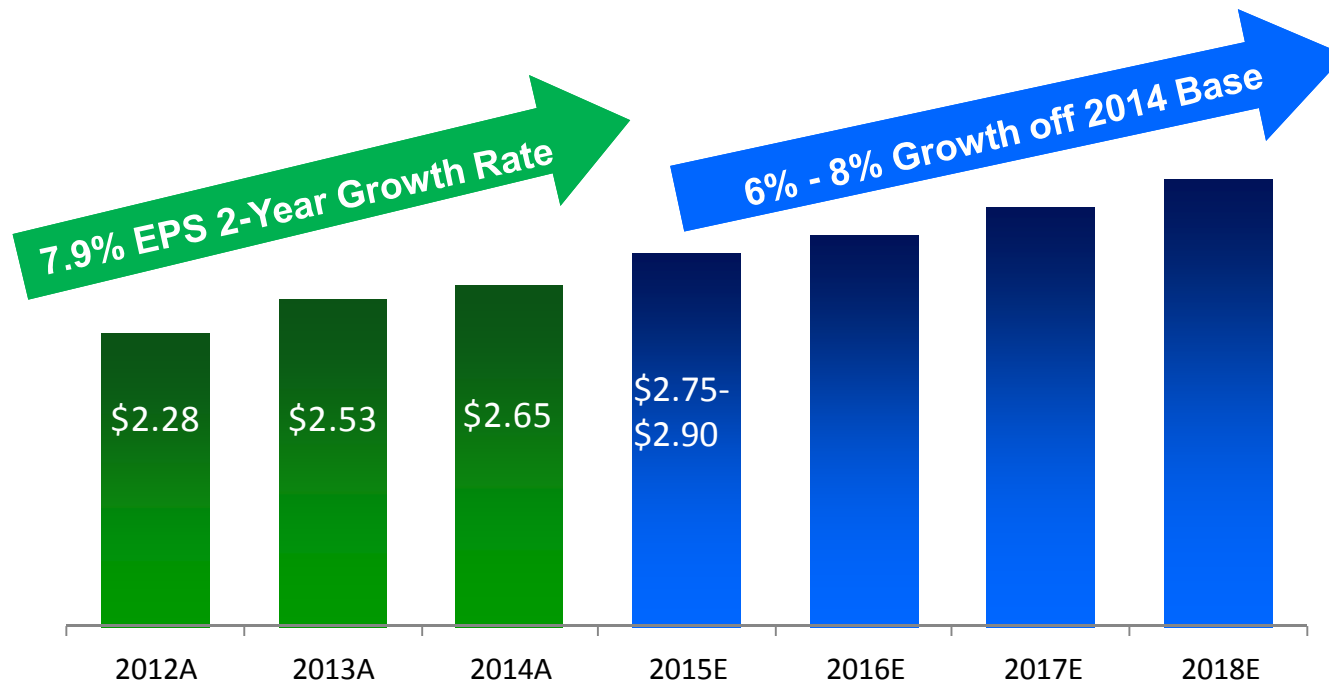
Up \$0.05

An Integral Part of our Total Return is the Dividend....Which Continues To Grow



*\* Reflects impact of the Northeast Utilities - NSTAR merger*

# Long-Term Earnings Growth



## Key Drivers for Long Term Guidance:

### Positive

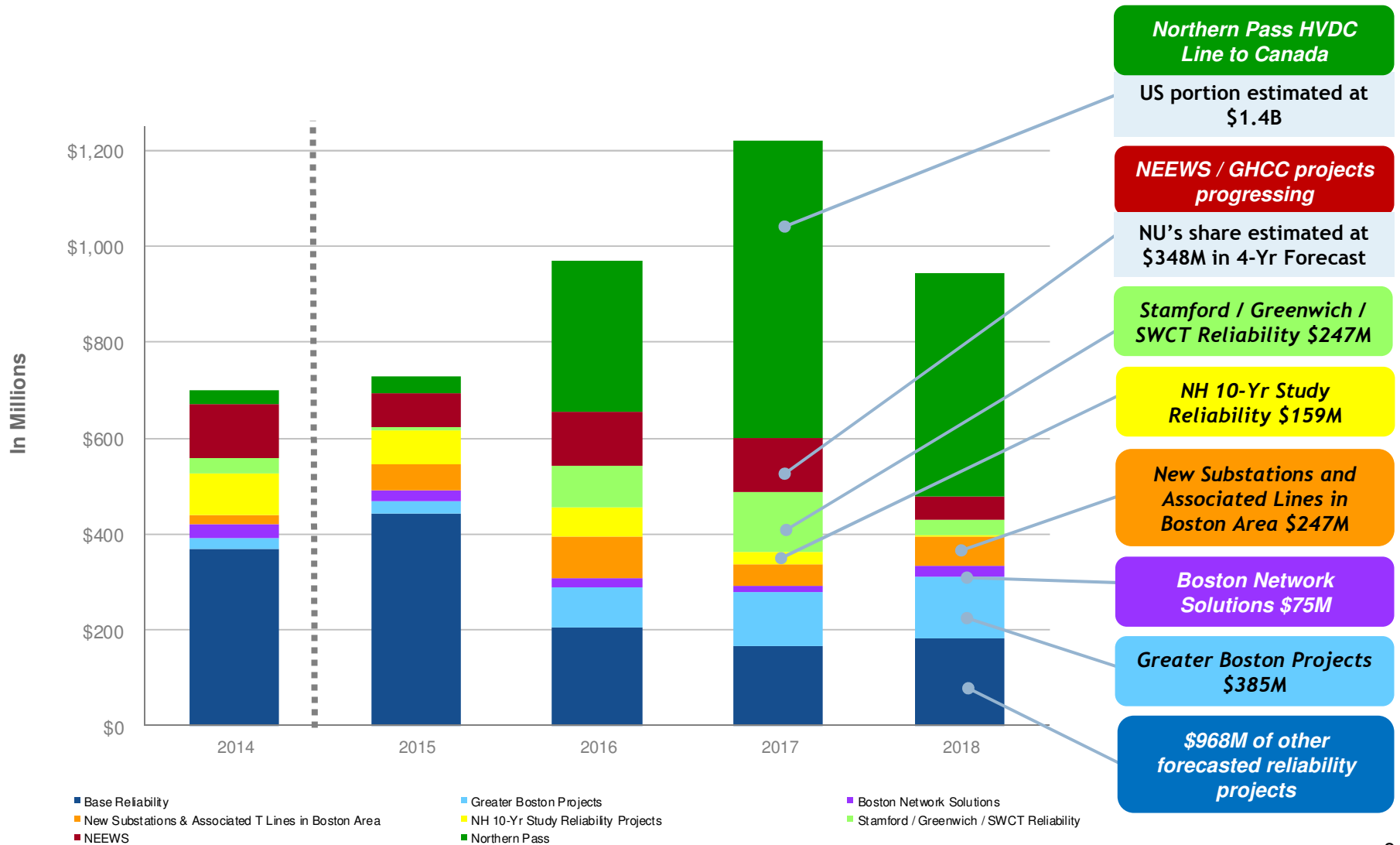
- FERC-regulated electric and gas transmission investment
- Average of 3% O&M reductions through 2018
- Gas expansion and system upgrades - annual sales growth 2% - 4%
- Distribution rate relief

### Negative

- Depreciation & property taxes
- Interest costs



# Electric Transmission Investing \$4.6 Billion From 2014-2018



## Progress on Major CT Reliability Projects

### Interstate Reliability Project

- Joint project with National Grid
- Construction began in March 2014
- 90% complete as of March 31, 2015
- Project is on schedule to be complete by year-end 2015
- Project is on target to achieve its projected investment of \$218 million

### Greater Hartford Central Connecticut Reliability Project (GHCC)

- 5 sets of projects for Greater Hartford, Manchester, Southington, Middletown and NW CT
- First projects to commence in Summer 2015
- Projected completion: 2018
- Total projected investment: \$350 million

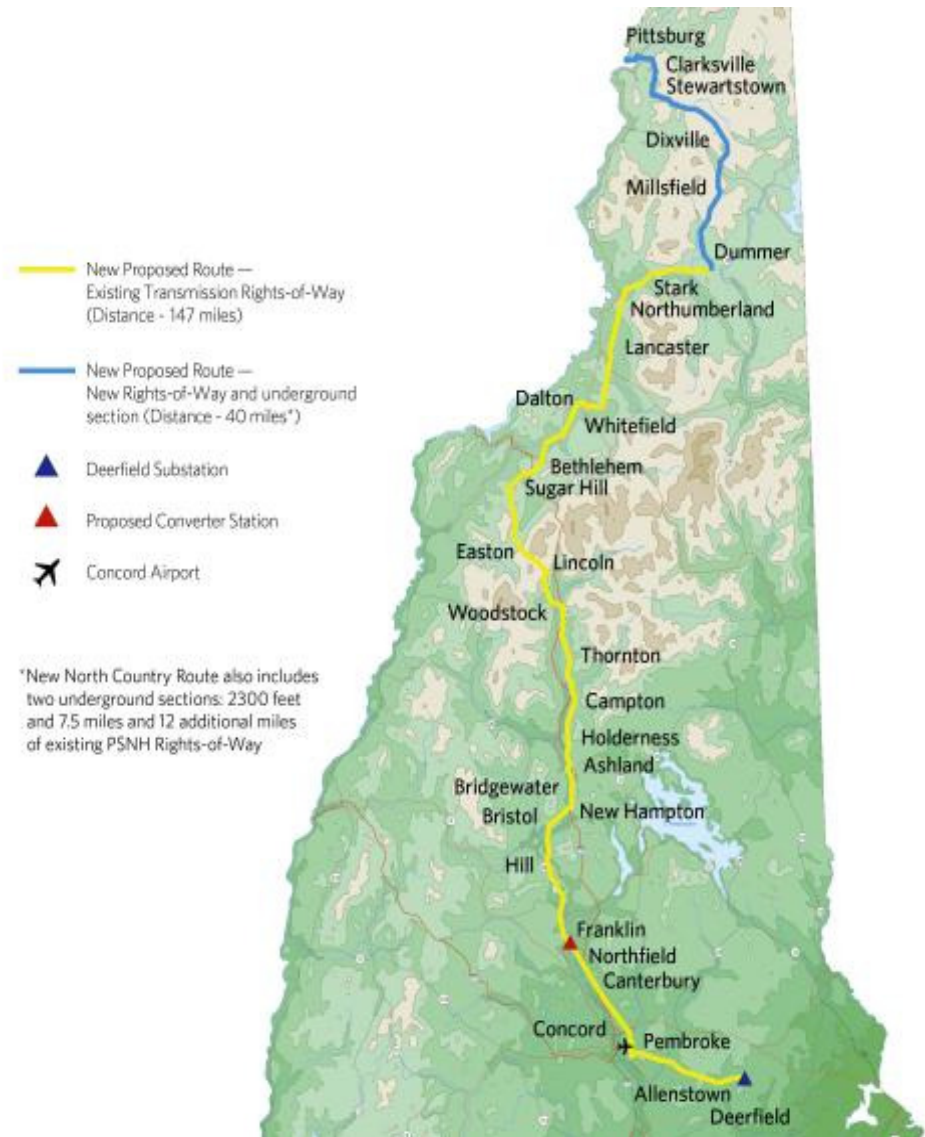


## Status of Major Electric Transmission Projects

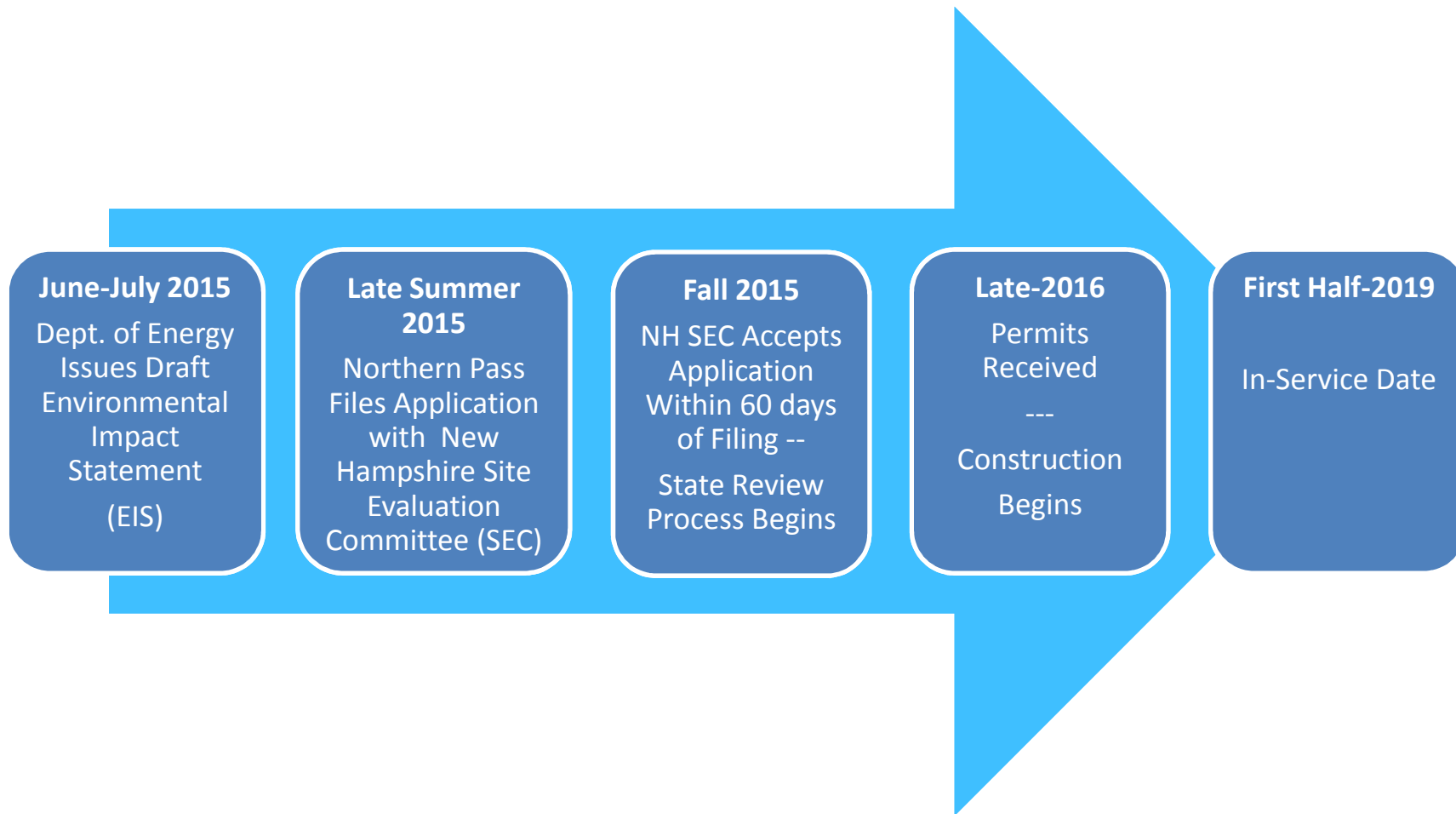
Project	Scope	Total Investment through 12/31/14	Remaining Amount	Work Ahead
NEEWS/GHCC Projects	~\$1.33 billion investment in CT, Western MA	~\$945 million	~\$385 million	Complete IRP in 2015 Complete GHCC in 2018
NPT	~\$1.4 billion investment in NH	~\$90 million	~\$1.3 billion	Complete siting in 2016 Project in service in 1H 2019
Greater Boston Solutions	~\$490 million in MA & NH	~\$30 million	~\$460 million	Completion in 2019
NH 10-Year Reliability	~\$335 million in NH	~\$145 million	~\$190 million	Completion in 2018
Other Reliability Projects	~\$1.44 billion from 2014 to 2018	~\$440 million invested in 2014	~\$1 billion	Completion in 2018
Non-Traditional Projects	Multiple initiatives inside and outside New England	<ul style="list-style-type: none"> <li>▪ Inside New England: Focus on NESCOE process</li> <li>▪ Outside New England: Exploring alliances &amp; specific projects</li> </ul>		

# NPT - Overview

- 1,200 MW of clean energy
- \$1.4 billion HVDC line, terminal and AC facilities
- Participant-funded with opportunity for regional funding
- Uses HVDC technology at +/- 300-kV with AC/DC converters in Quebec and NH
- AC radial 345-kV line to connect to the New England bulk power grid
- New route identified June 27, 2013. Approximately 187 miles of new transmission including 8.7 miles of underground in 2 locations (147 miles HVDC, 40 miles AC)
- I.3.9 approval was granted by ISO-NE on 12/31/2013
- Expected to provide significant benefits to the region:
  1. Energy and capacity value through reduced wholesale market prices – more than \$300 million per year for New England
  2. Environmental value through carbon emissions reductions – annual reduction of 3 - 5 million tons of CO<sub>2</sub>
  3. Economic value through construction jobs and new tax base – 1,200 jobs and \$1.1 billion over 40 years in property taxes
  4. Reduces growing dependence on natural gas generation

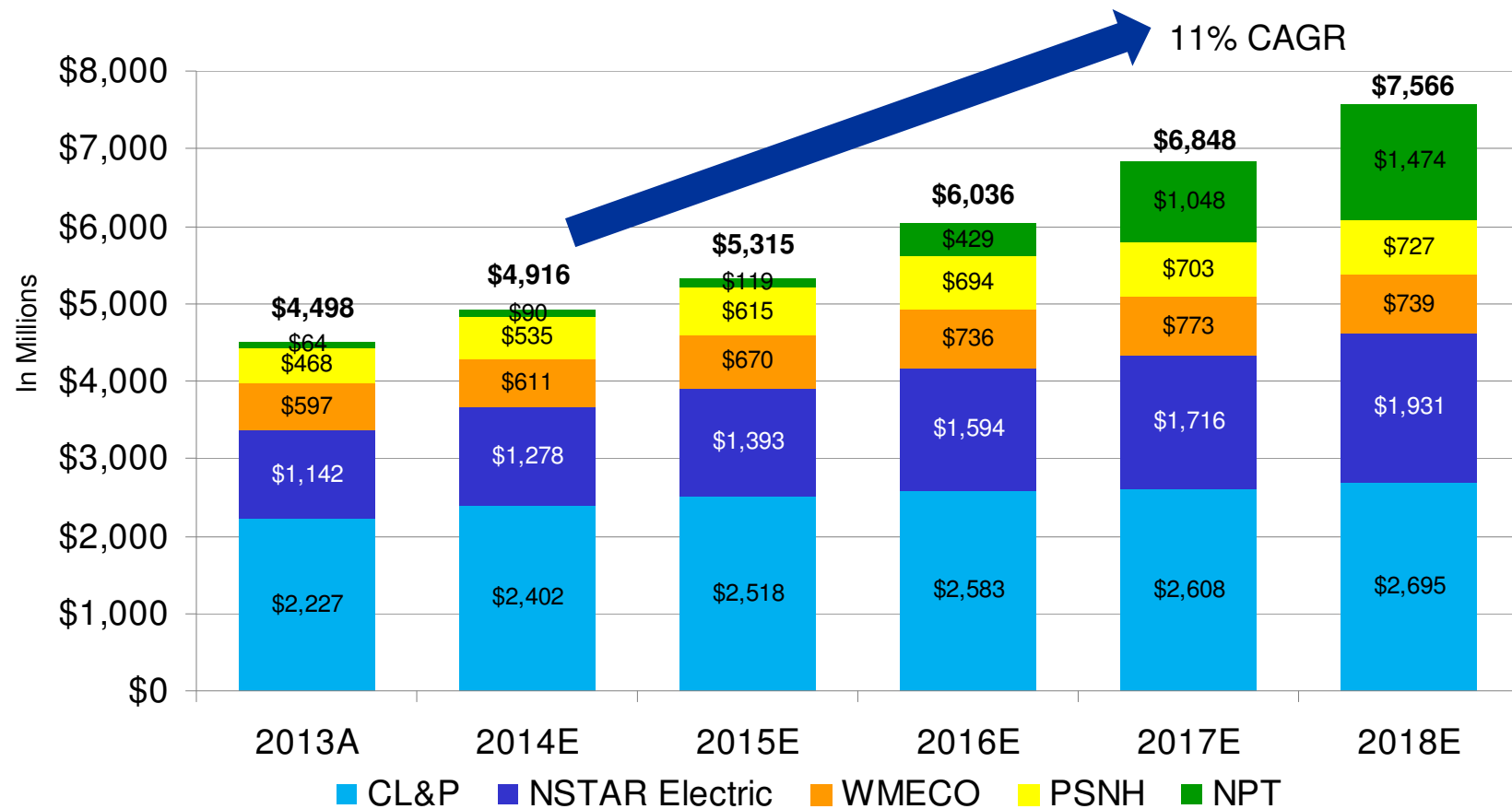


# Northern Pass Timeline



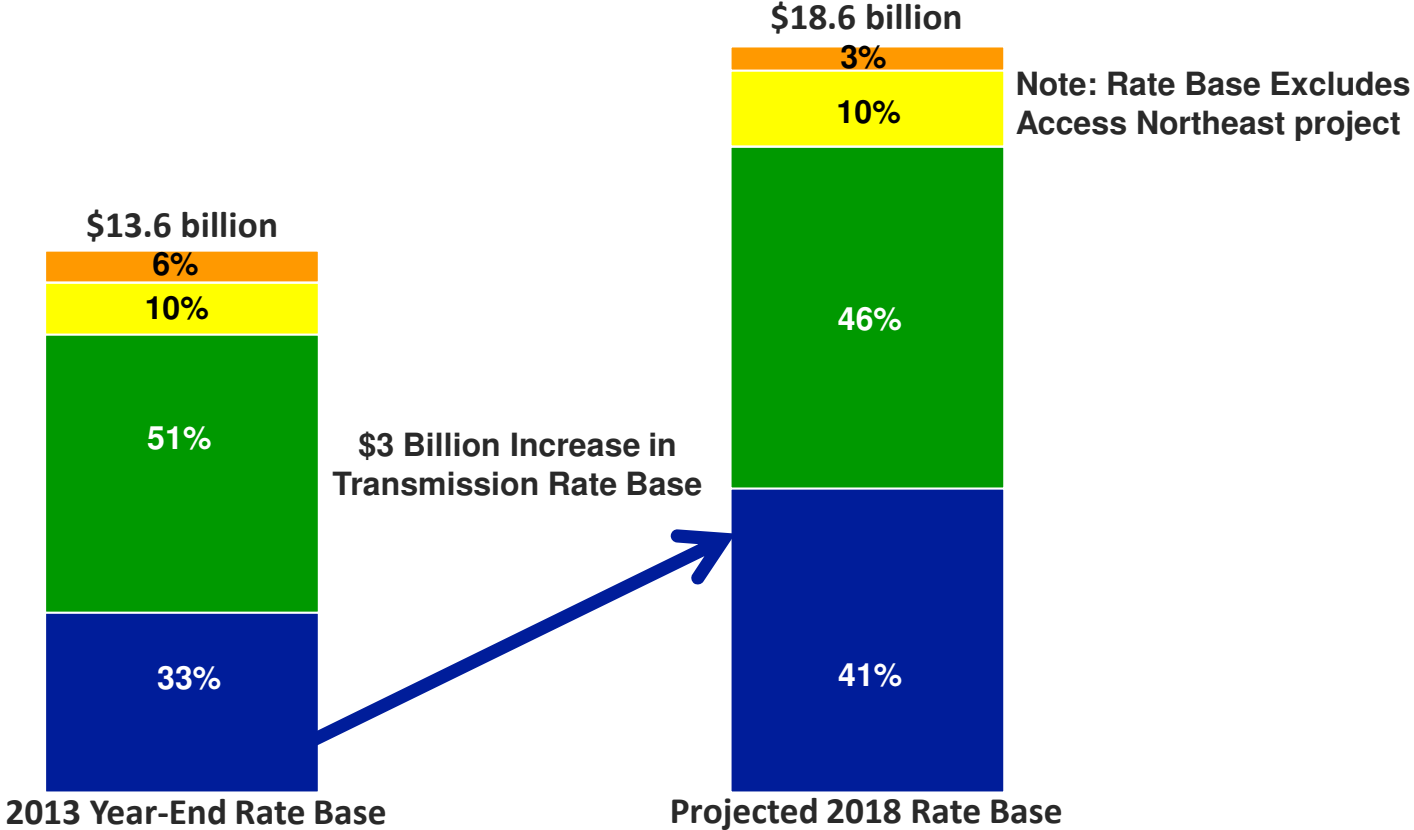
# Transmission Rate Base Growth Projections

*Electric transmission accounts for more than 50% of EPS growth through 2018*



# Rate Base Continues to Expand

## Rate Base By Business

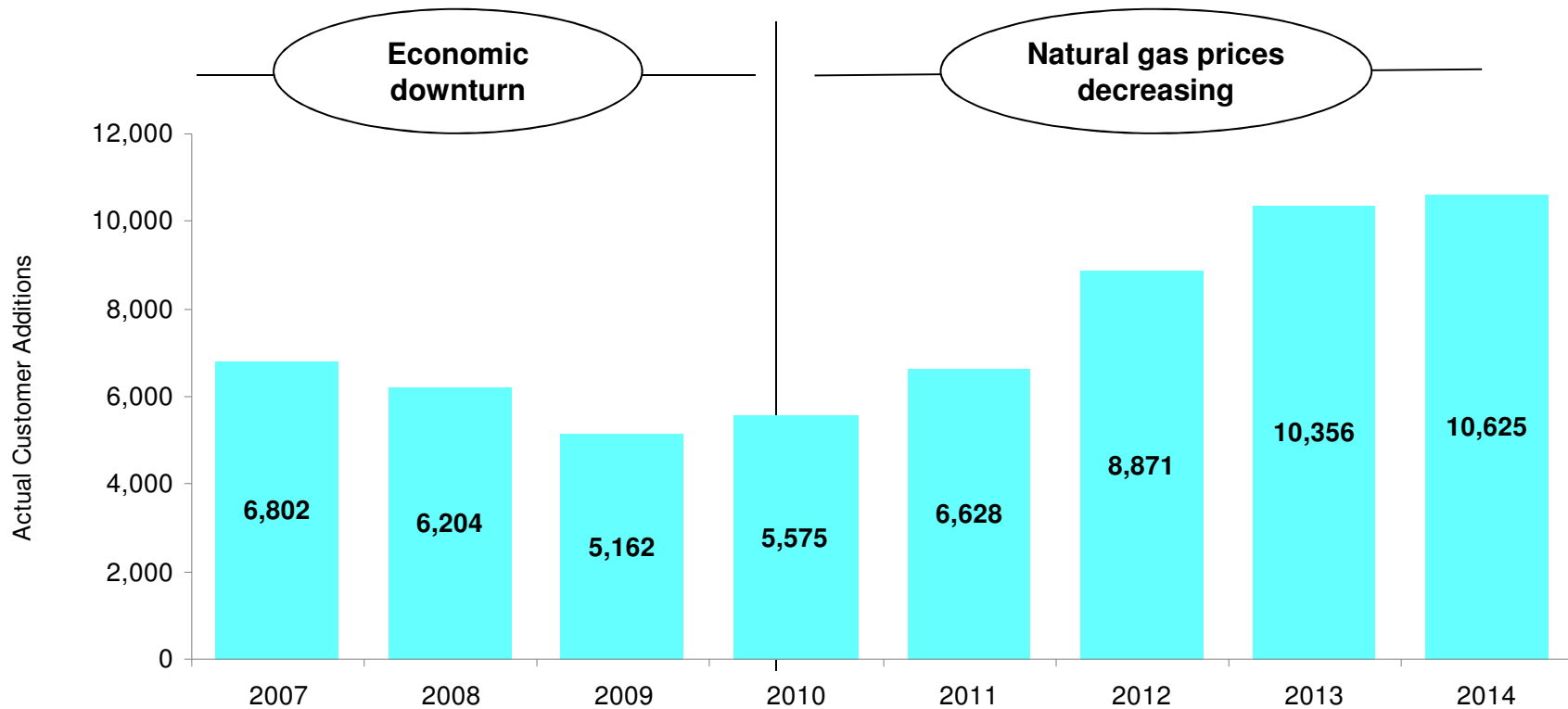


■ Electric Transmission ■ Electric Distribution ■ Gas Distribution ■ Electric Generation\*

\*Generation rate base would be close to zero if PSNH generation is divested

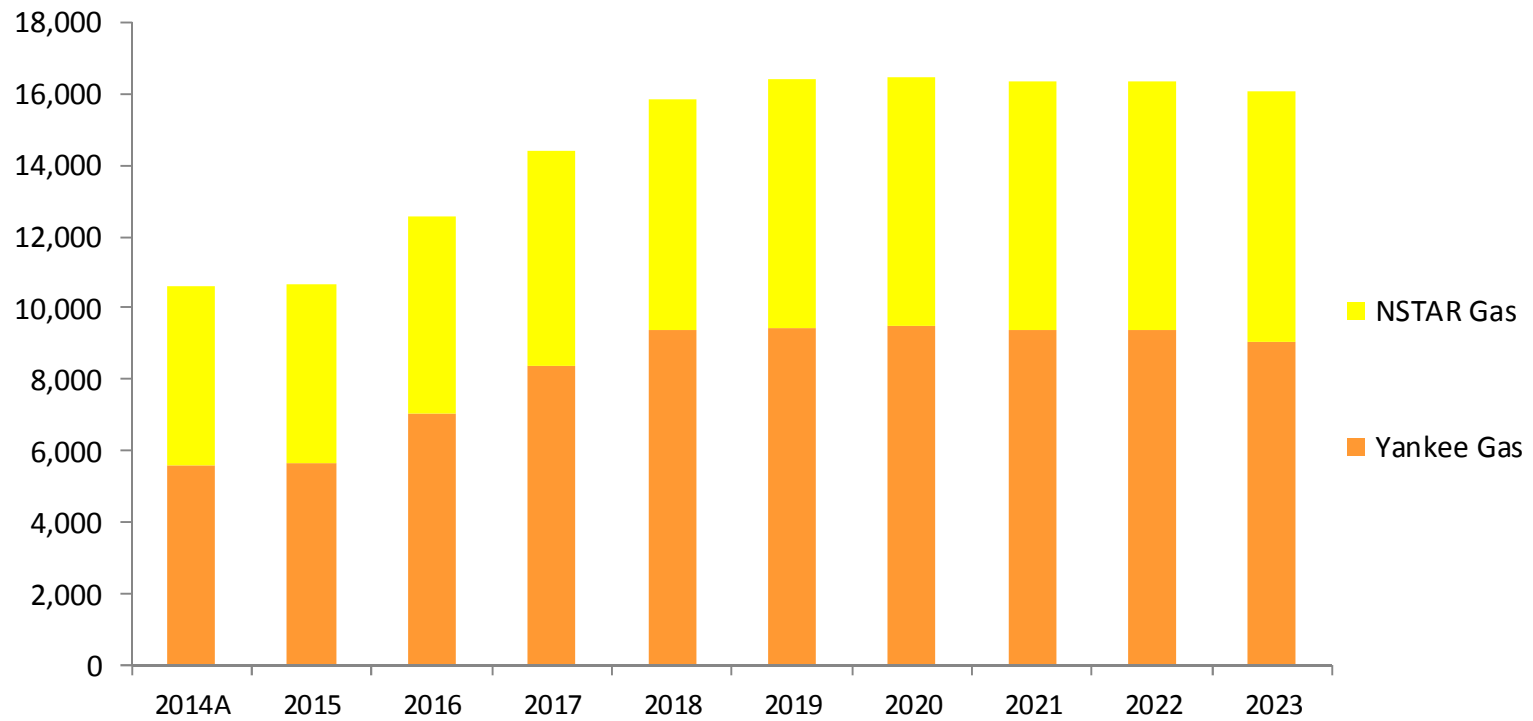
# Customer Growth Has Picked Up for Eversource's Natural Gas Business

**Eversource Natural Gas Business – NSTAR Gas and Yankee Gas**  
**2007-2014 Annual Customer Additions**  
 (Conversions and new construction)

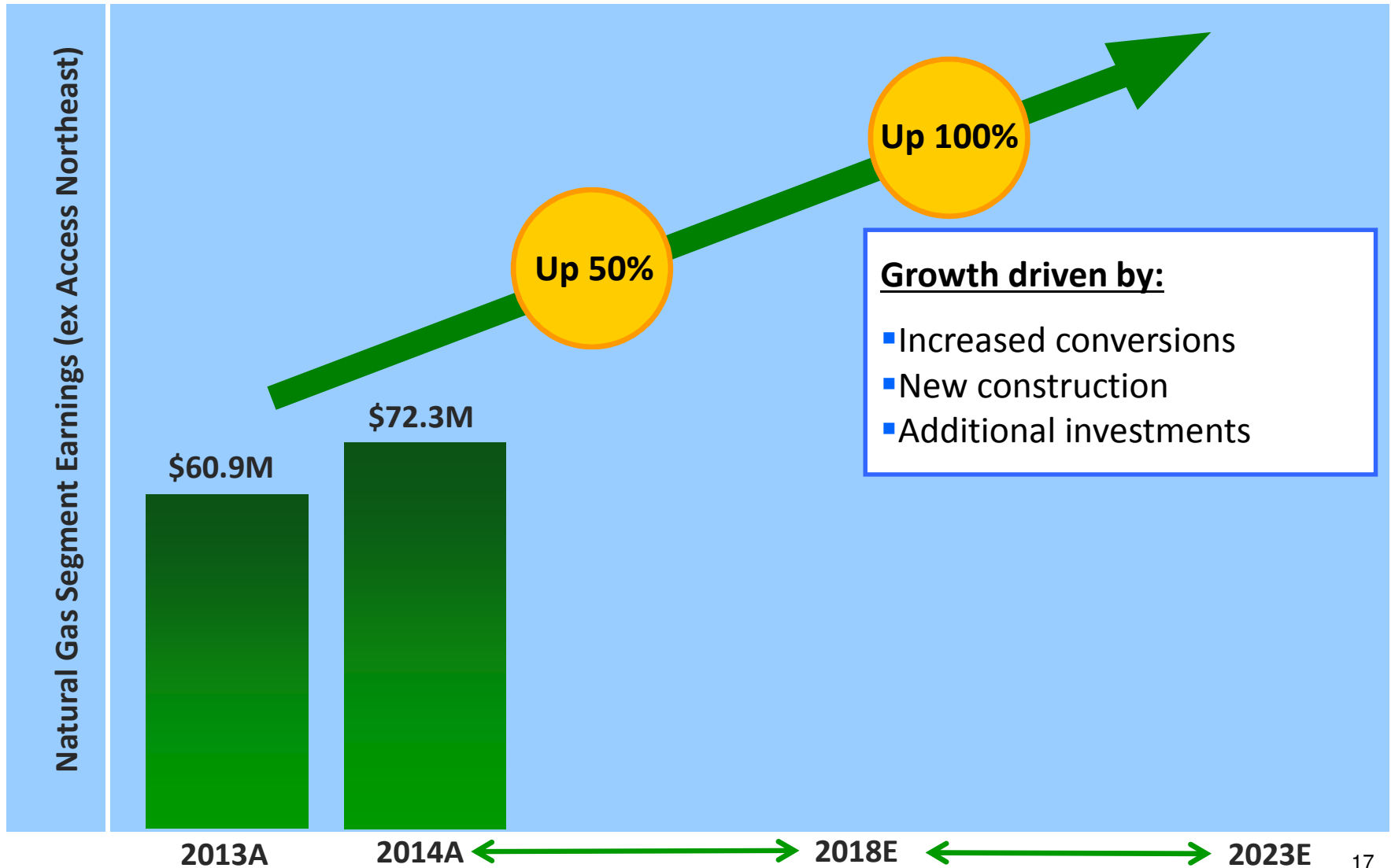




# 146,000 Potential New Heating Customers Projected for 2014-2023



# Natural Gas Segment Earnings Could Double in Next Decade



## Pending Gas Distribution Rate Proceedings

### NSTAR Gas

- NSTAR Gas filed application on 12/17/14 to raise base distribution rates by \$33.9 million on 1/1/16
- NSTAR Gas subject to merger settlement base rate freeze through 12/31/15
- Lowest gas distribution rates in MA by far
- Hearings to commence 6/1/15
- Final briefs 8/18/15
- Decision expected in Q4 2015

2014 NSTAR Gas ROE = 7.36%

### Yankee Gas

- Settlement of 2 overearnings dockets approved 4/29/15 includes:
  - \$1.5 million rate credit next winter
  - Rate freeze until at least 1/1/17 with no decoupling
  - 50-50 earnings sharing above 9.5% begins 4/1/16, based on prior 12 months
  - Satisfies CT 4-year rate review requirement

2014 Yankee Gas ROE = 10%

# Last Winter's Prices & Volatility Have Significantly Raised New England Energy Rates

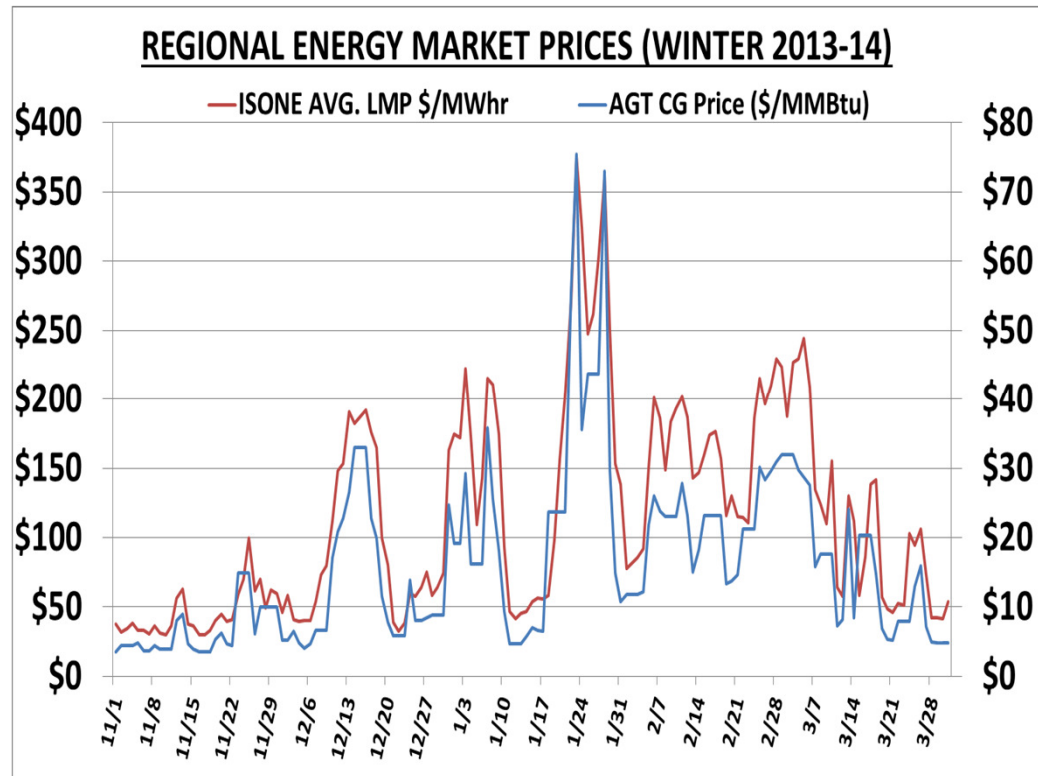


Avg. Increase Energy Rates Fall to Winter 2013-2014

Risk Premium in Customer Rates

Avg Increase Energy Rates Fall to Winter 2014-2015

27%

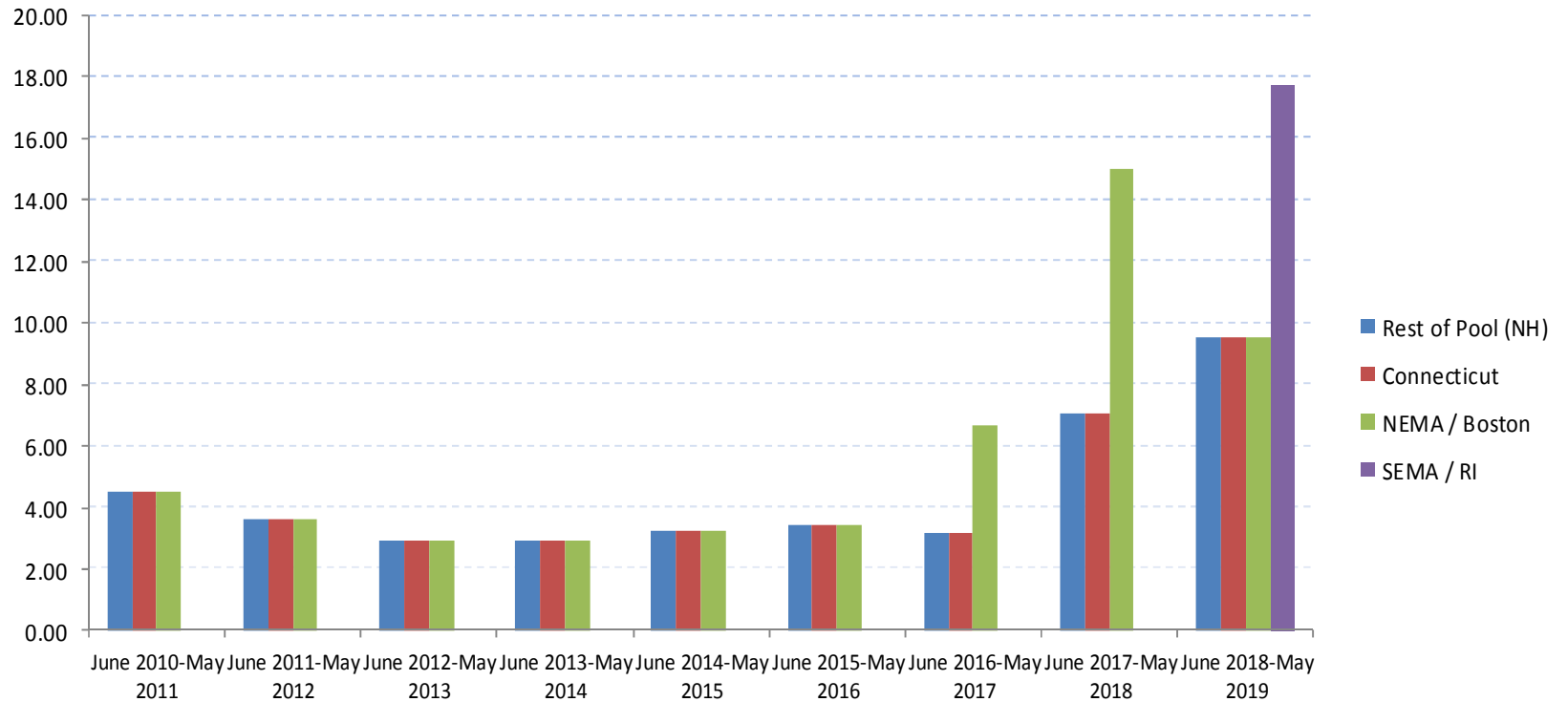


60%

# Capacity Prices Rising Rapidly As Well

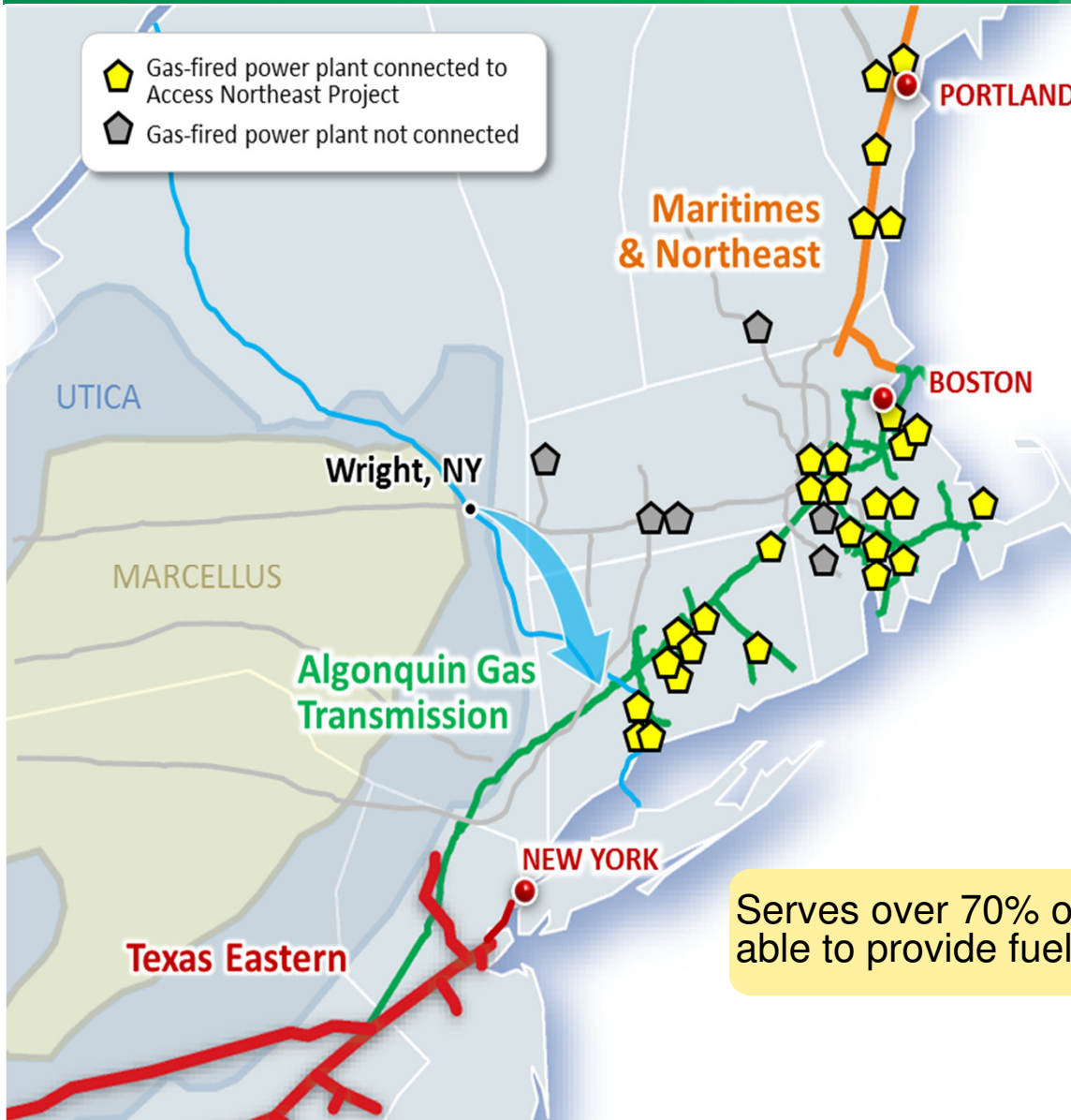


**New England Customer Capacity Prices (\$/kW-mo)**



Data based on ISO New England forward capacity auctions

# Access Northeast is a Tailored Solution for the Region's Electric Energy Needs

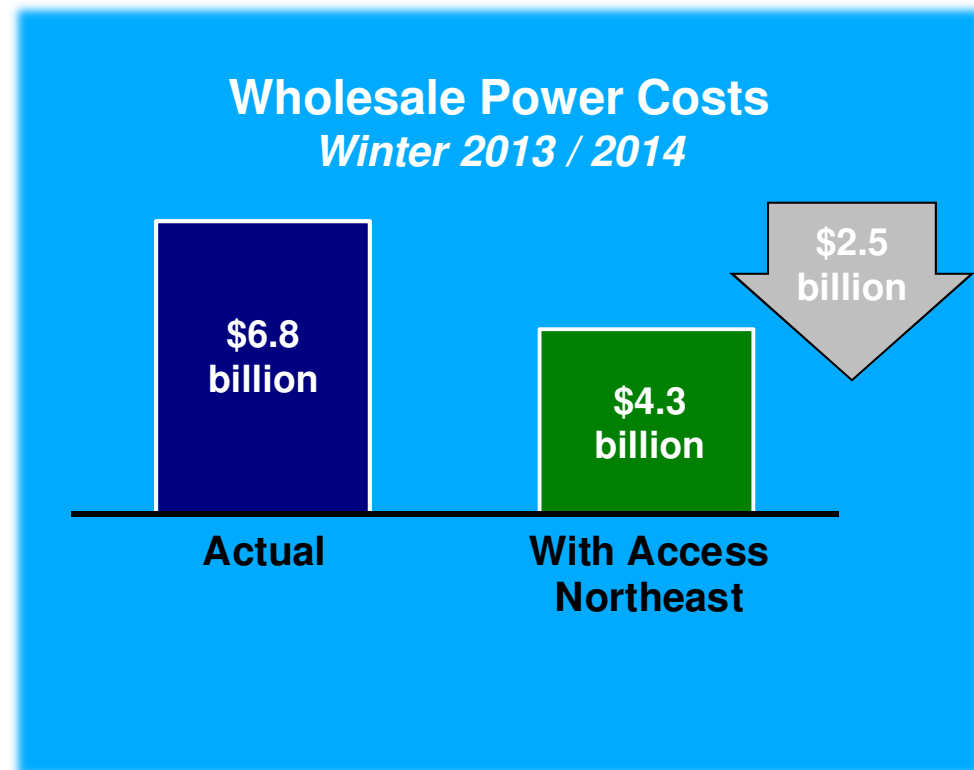


- 40% Eversource, 40% Spectra, 20% National Grid
- Estimated cost: \$3 billion
- Direct connection with Northeast generators
- Takes advantage of existing infrastructure
- Built to handle the peaks
- Timely
- Scalable for future growth
- Multiple supply options

Serves over 70% of New England generation – able to provide fuel for 5,000 MW of electric generation

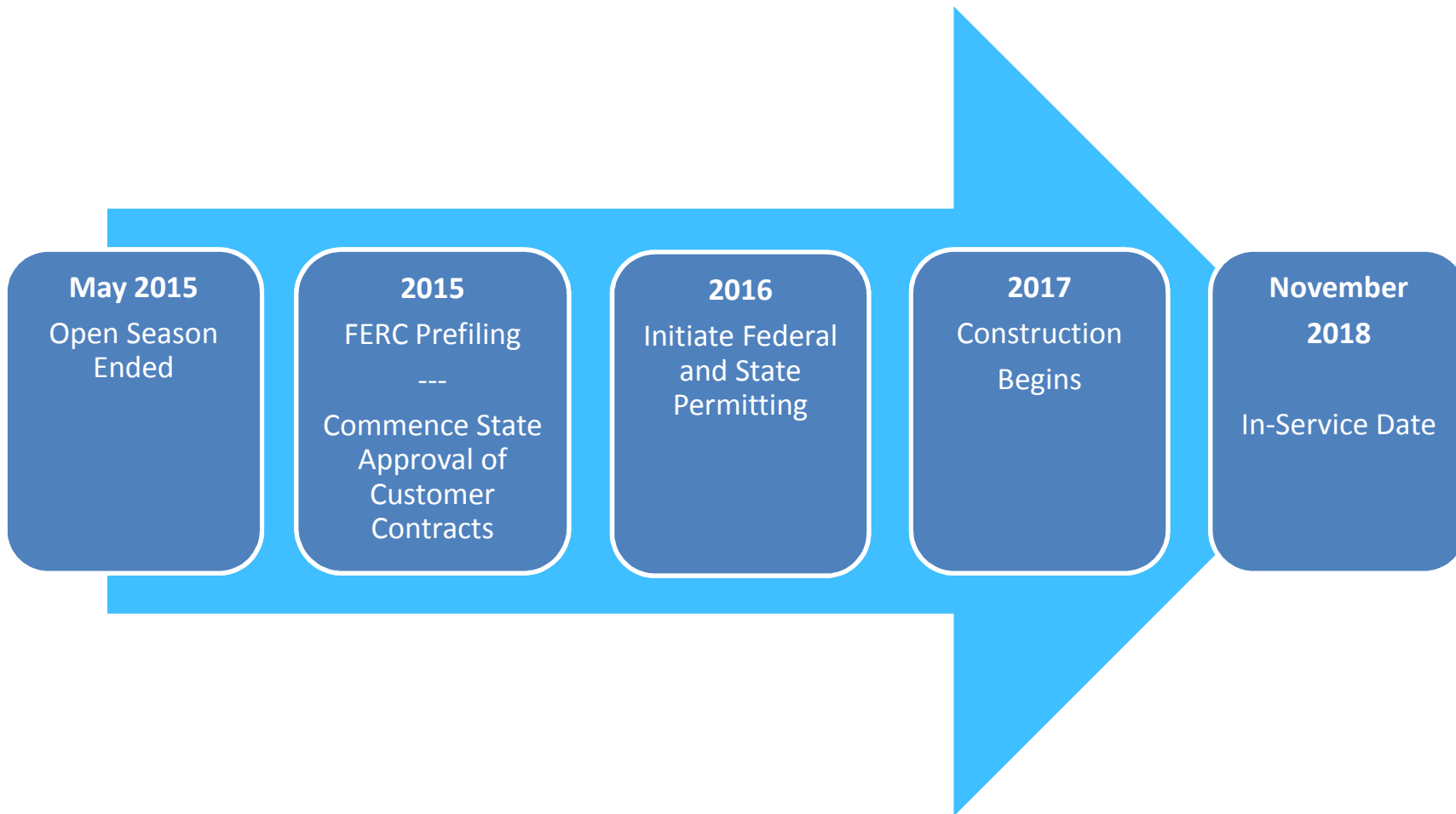
## Access Northeast Projected to Lower the Region's Energy Costs by \$1 Billion Annually

- Secures fuel supply for 5,000 Mw of power generation
  - ❖ Meets fuel supply needs identified by ISO-NE & Massachusetts DOER
  - ❖ Greatly enhances reliability of power supply on extreme weather day
- Projected savings for electric customers, on average: \$1 billion annually during first ten years. Savings would be higher under severe cold weather conditions.
- Savings would have been an estimated \$2.5 billion during winter of 2013/14 had Access Northeast been in place



Source: ICF International

# Access Northeast Timeline





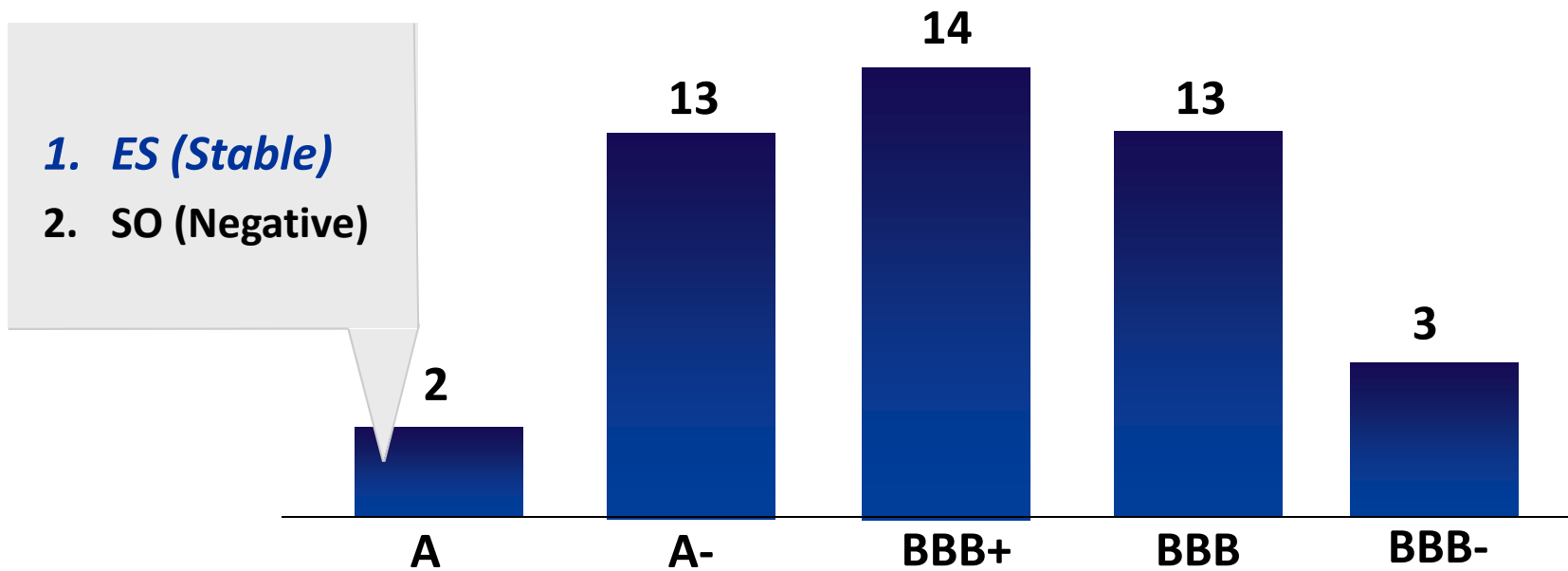
# Term Sheet to Divest New Hampshire Generation

## Signed March 11



- Nearly 1,200 MW of coal, oil, hydro, biomass
- Parties include Eversource, NHPUC staff, two state senators, Governor's Energy Office, Consumer Advocate
- Conditions precedent to settlement include execution of a comprehensive, formal Settlement Agreement and enactment of legislation authorizing the securitization of stranded costs
- NHPUC must approve definitive divestiture settlement documents before sale process begins
- Full recovery of scrubber investment beginning 01/01/16
- Sale expected to close by end of 2016 with securitization in early 2017
- PSNH to forego \$25 million of equity return not yet recognized on scrubber
- Shareholders to fund \$5 million clean energy initiative
- PSNH to forego distribution rate case until at least mid-2017
- Except as set forth above, PSNH to receive full recovery of total stranded costs through sale proceeds, securitization up to 15 years, other recovery mechanisms
- Various conditions for plant sale
  - Honor collective bargaining agreement
  - All plants in service for at least 18 months after purchase
  - Tax stabilization payments to host towns for up to 3 years if sale price is below assessed value

# Eversource Upgraded to #1 Utility Holding Company Credit



## Strong Credit Ratings Have Served Us Well

## DEBT ISSUED – 2014 and Year to Date 2015

Security	\$Millions	Date	Coupon	Maturity
Yankee Gas Secured	\$100	1/2/14	4.82%	1/2/44
NSTAR Electric Unsecured	\$300	3/7/14	4.40%	3/1/44
CL&P Secured	\$250	4/24/14	4.30%	4/15/44
PSNH Secured	\$75	10/14/14	3.144*	11/1/23
Eversource Parent Unsecured	\$150	1/15/15	1.60%	1/15/18
Eversource Parent Unsecured	\$300	1/15/15	3.15%	1/15/25

\*Reopened at a yield of 3.144% - Coupon 3.5%

## DEBT MATURING (2015 – 2017)

Security	\$Millions	Date	Coupon
WMECO Unsecured	\$50	8/1/15	5.24%
NSTAR Electric Unsecured	\$200	5/17/16	3ML+24
CL&P Secured	\$150	3/1/17	5.375%
CL&P Secured	\$100	9/1/17	5.75%
PSNH Secured	\$70	9/1/17	6.15%
NSTAR Gas Secured	\$25	9/30/17	7.04%
NSTAR Electric Unsecured	\$400	11/15/17	5.625%