

Investor Meetings

August 4 – 12, 2014



**Northeast
Utilities**

Safe Harbor



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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 NU 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 NU'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 NU 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 NU 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 NU’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 NU’s businesses. Non-GAAP financial measures should not be considered as alternatives to NU consolidated net income attributable to controlling interests or EPS determined in accordance with GAAP as indicators of NU’s operating performance.

A Rare Investment Opportunity

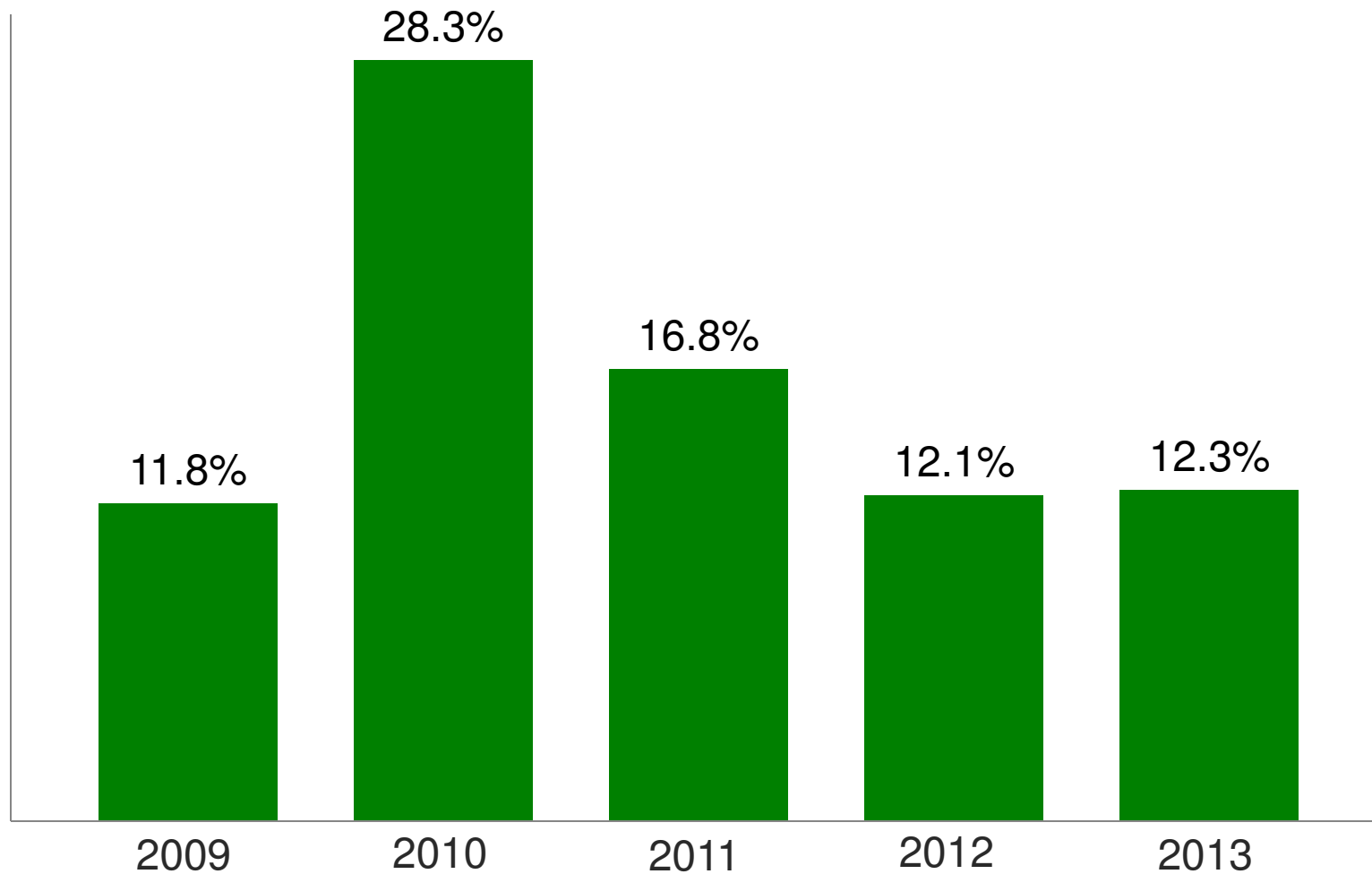


- Projected long-term EPS growth of 6%-8% - nearly 2X industry
 - Unique transmission growth platform
 - Unique opportunity to reduce O&M by 3% - 4% annually
 - Unique robust gas expansion plans
- Projected dividend growth of 6%-8% - nearly 2X industry
- Very strong financial condition
- Top-tier customer service and reliability
- An experienced management team with a proven track record



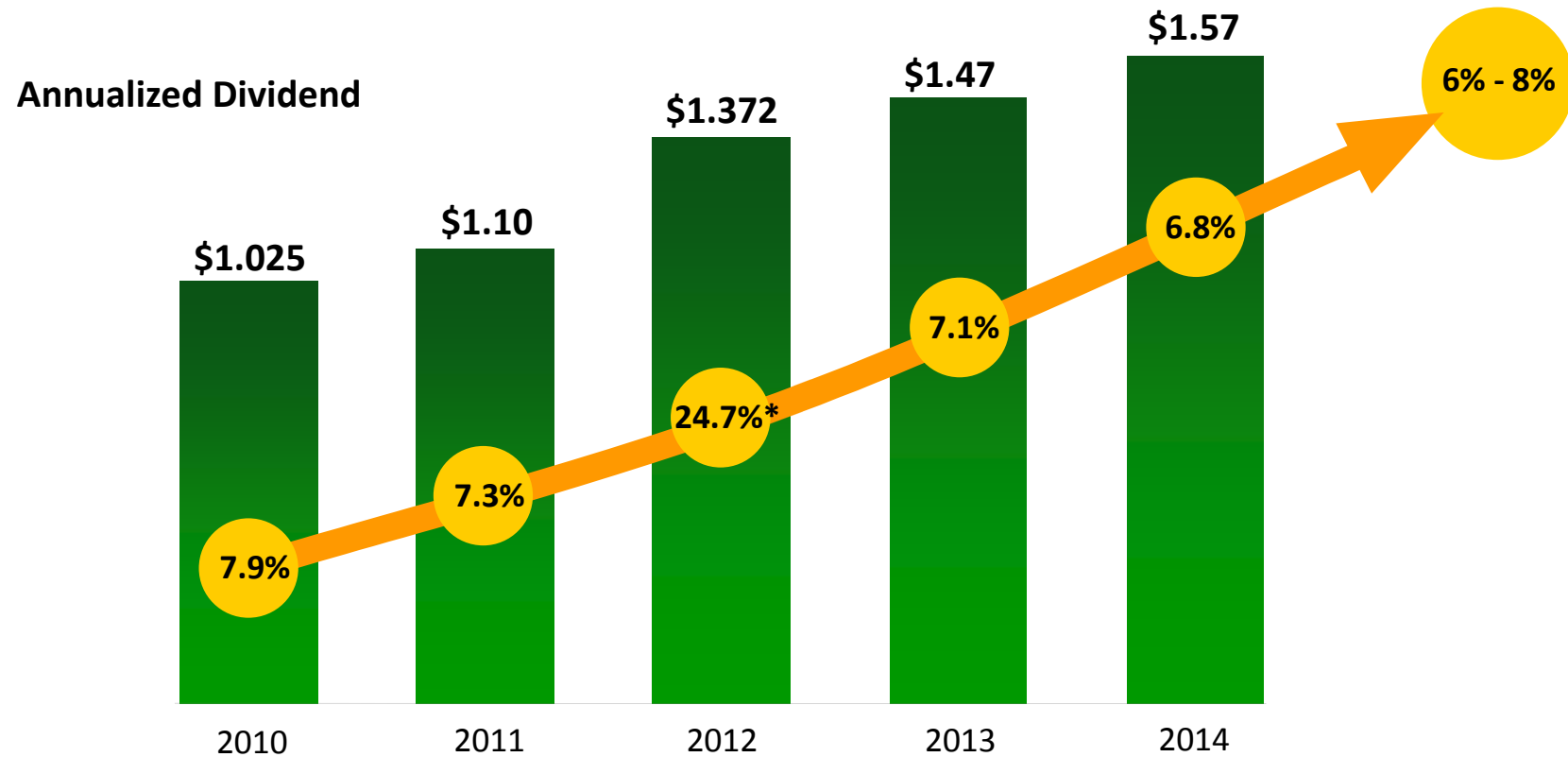


Strong Record of Total Shareholder Return





Dividend Growth In-Line with Earnings Growth



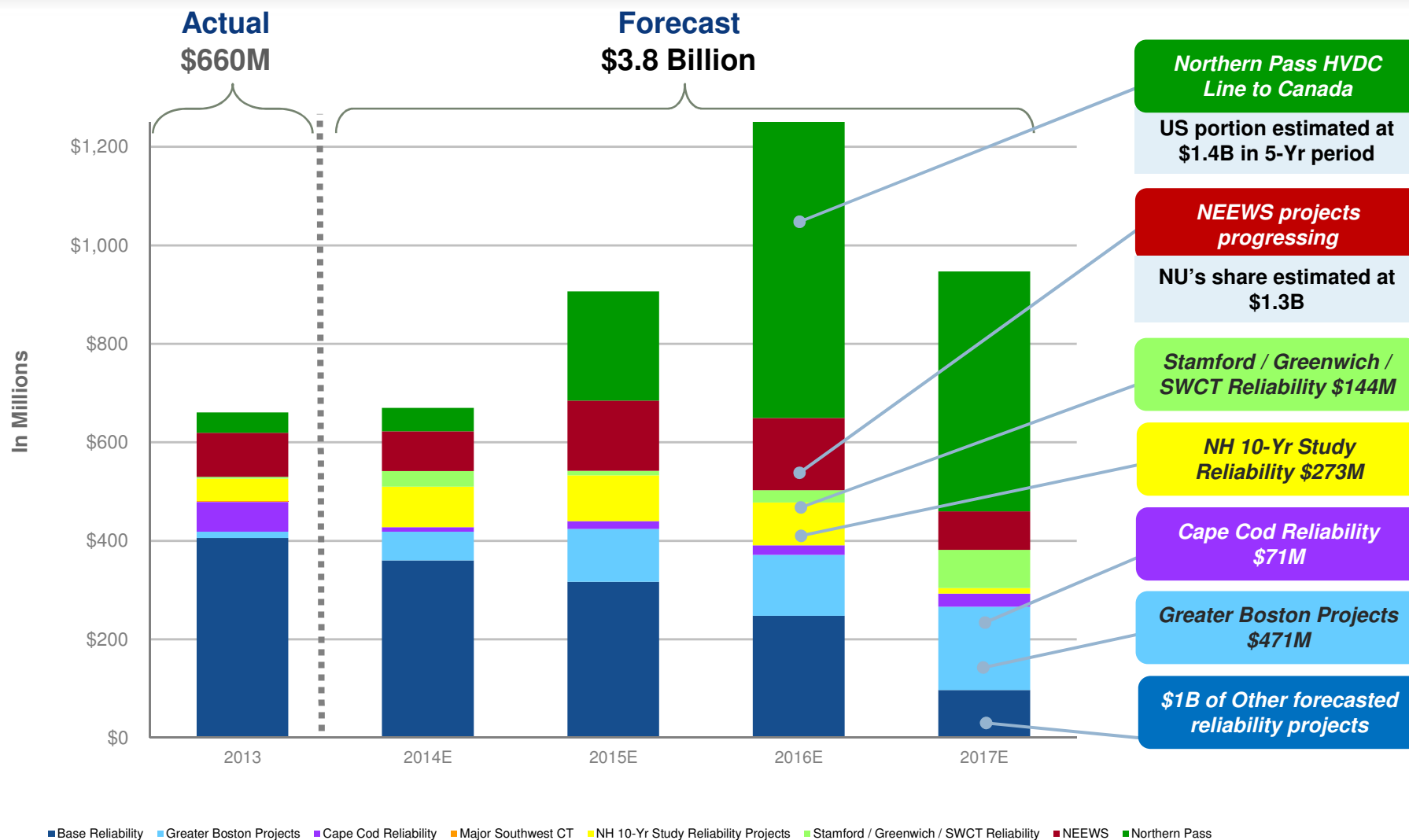
** Reflects impact of the merger*

First Half Results



	1H 2013 EPS	1H 2014 EPS	Primary Reason for Change
Electric Distribution	\$0.60	\$0.62	Lower O&M
Natural Gas Distribution	\$0.14	\$0.17	Higher sales and customer additions
Electric Transmission	\$0.50	\$0.37	FERC ROE order
NU Parent and Other	\$0.03	\$0.02	Absence of 2013 tax settlement
EPS ex. Integration Expenses	\$1.27	\$1.18	
Integration Expenses	(\$0.01)	(\$0.03)	
Reported EPS	\$1.26	\$1.15	

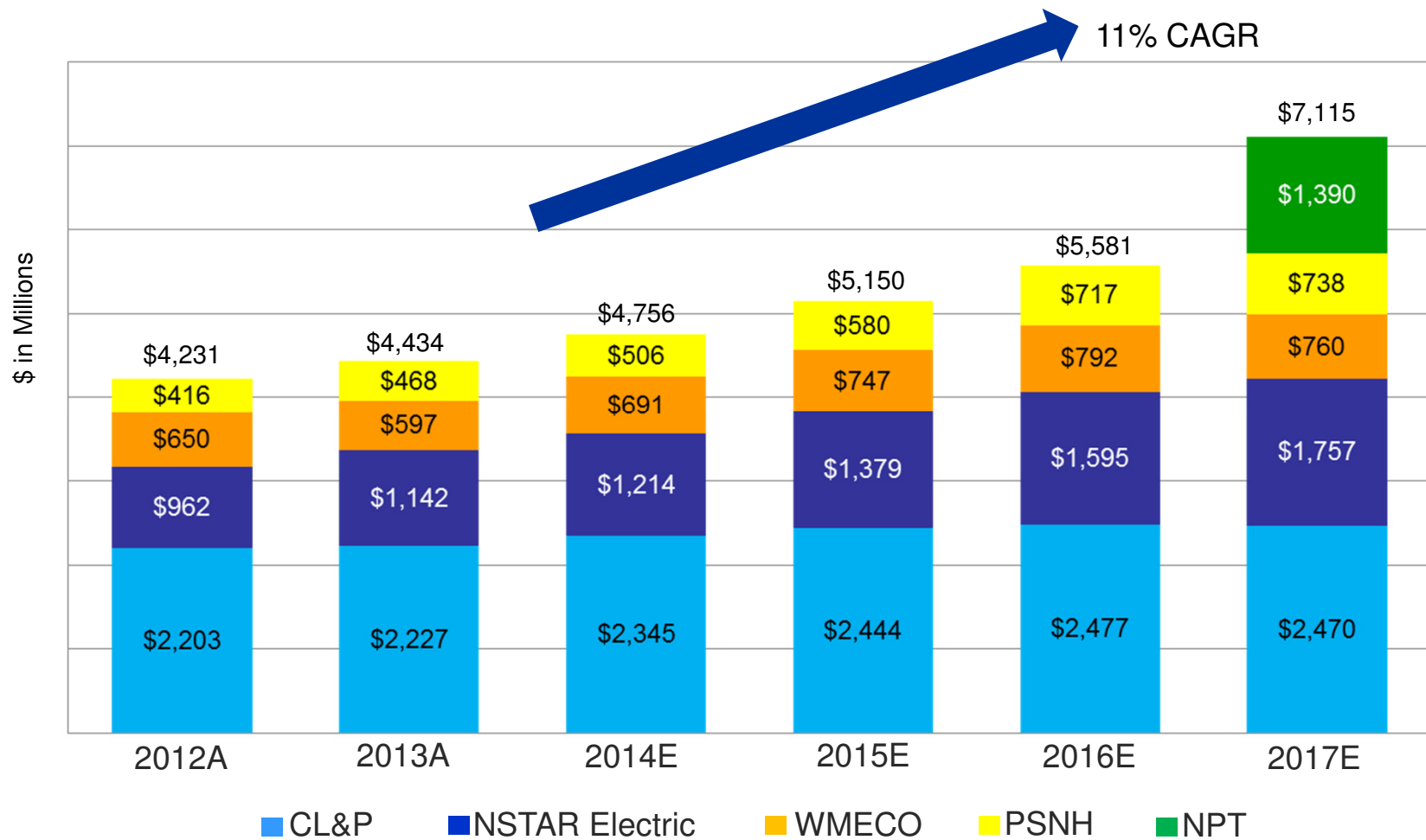
Transmission Investing \$4.4 Billion From 2013-2017



Transmission Rate Base Growth Projections



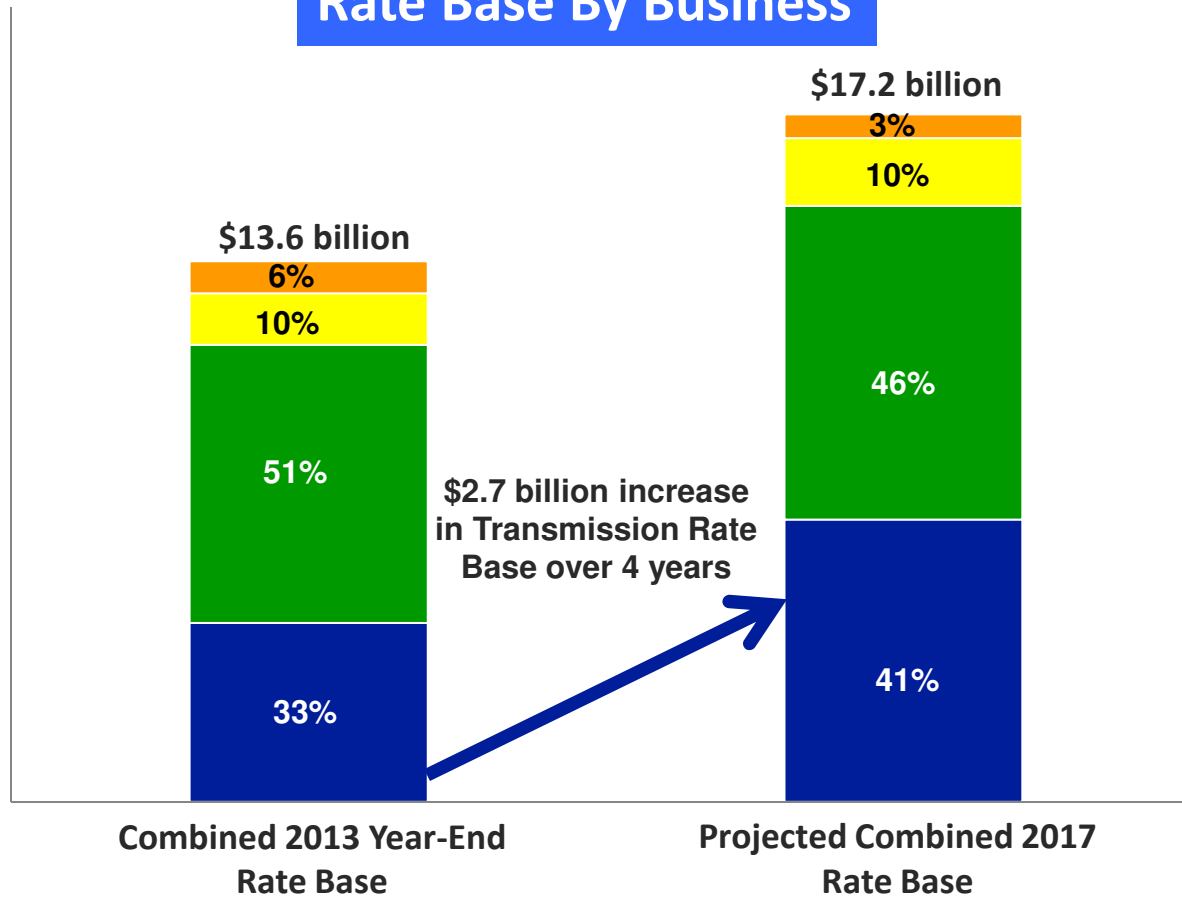
Transmission accounts for about 50% of EPS growth through 2017



Transmission Portion of NU Rate Base Expands



Rate Base By Business



■ Electric Transmission ■ Electric Distribution ■ Gas Distribution ■ Electric Generation

Progress on Major CT Reliability Projects

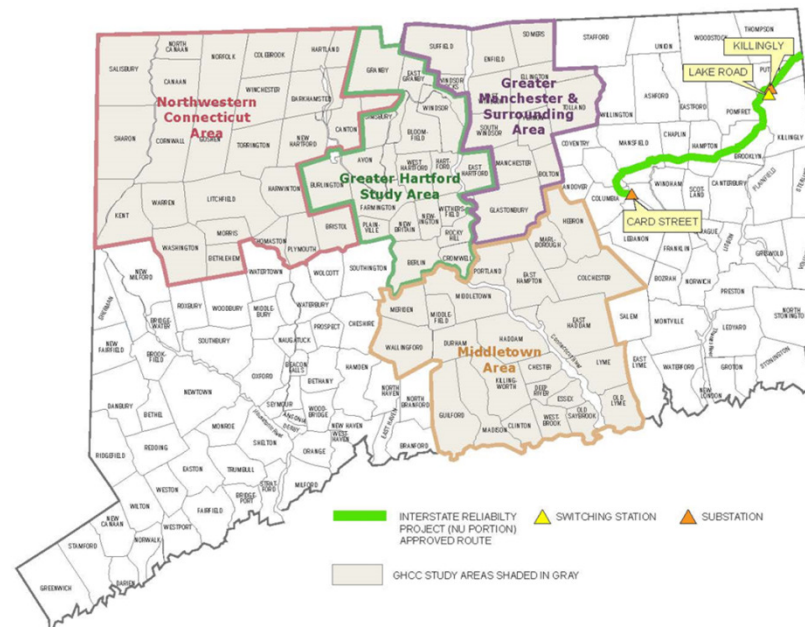


Greater Hartford Central Connecticut Reliability Project (GHCC)

- New set of solutions presented to ISO-New England Planning Advisory Committee in July
- 4 sets of projects for Greater Hartford, Manchester, Middletown and NW CT
- Projected completion: late 2017
- Total projected NU investment: \$352 million

Interstate Reliability Project

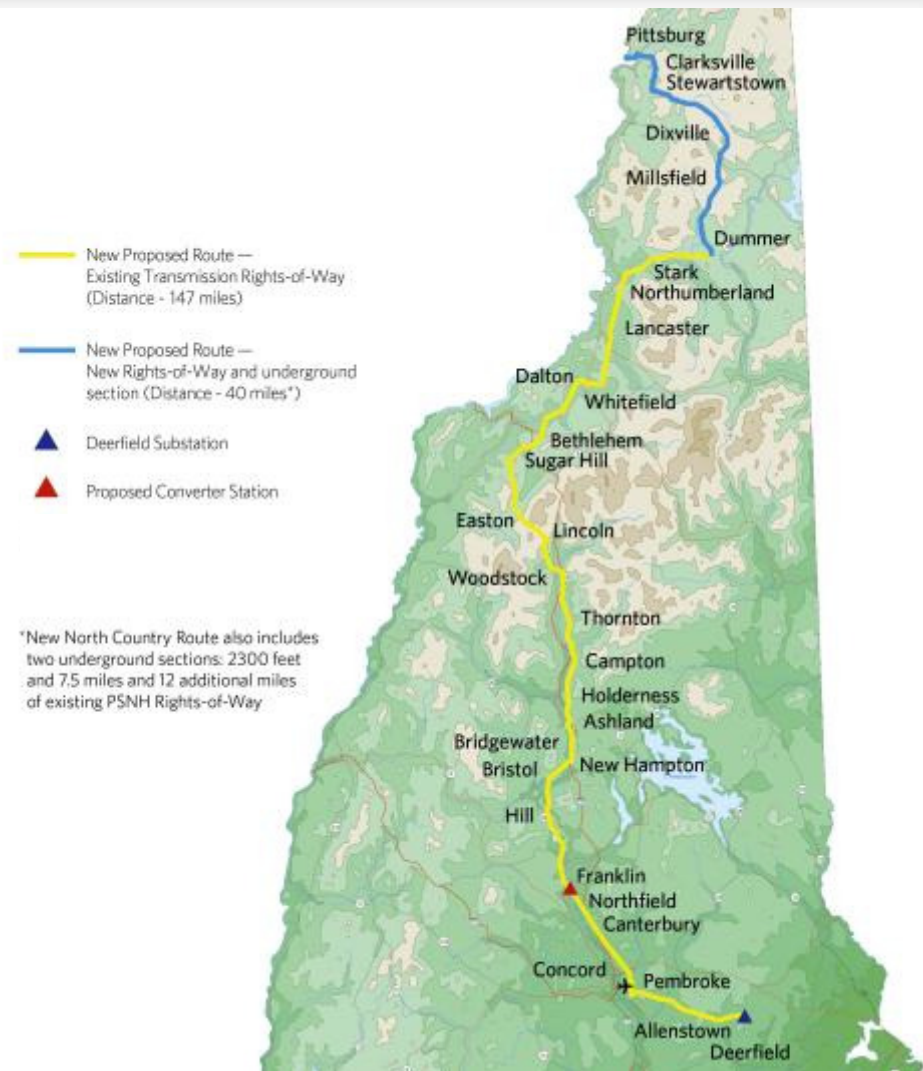
- Joint project with National Grid
- Siting approval in place
- Construction began in March
- Now 40% complete
- Projected completion: late 2015
- Total projected NU investment: \$218 million



NPT - Overview



- 1,200 MW of clean energy
- \$1.432 billion HVDC line, terminal and AC facilities
- Participant-funded structure; no impact on the Regional Transmission Rate
- 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 value through reduced wholesale market prices - \$200-\$300 million per year for New England
 2. Environmental value through carbon emissions reductions – annual reduction of up to 5 million tons of CO₂
 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

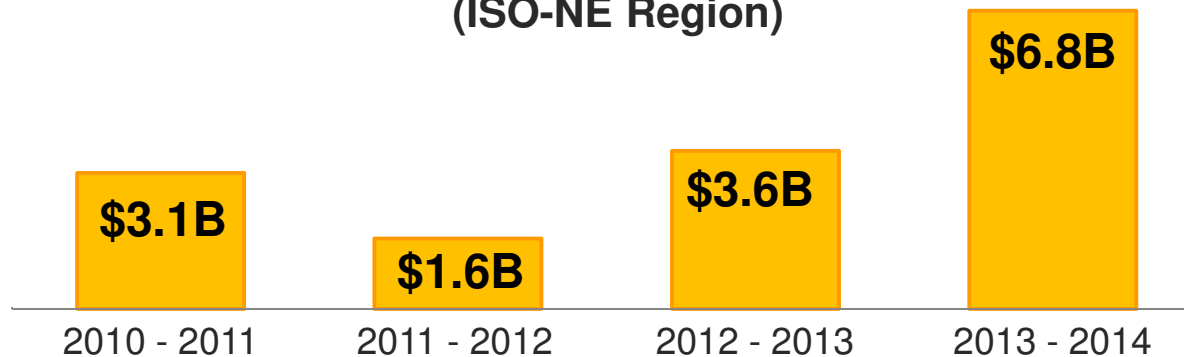


Northern Pass Can Help New England Mitigate Rising Winter Energy Costs

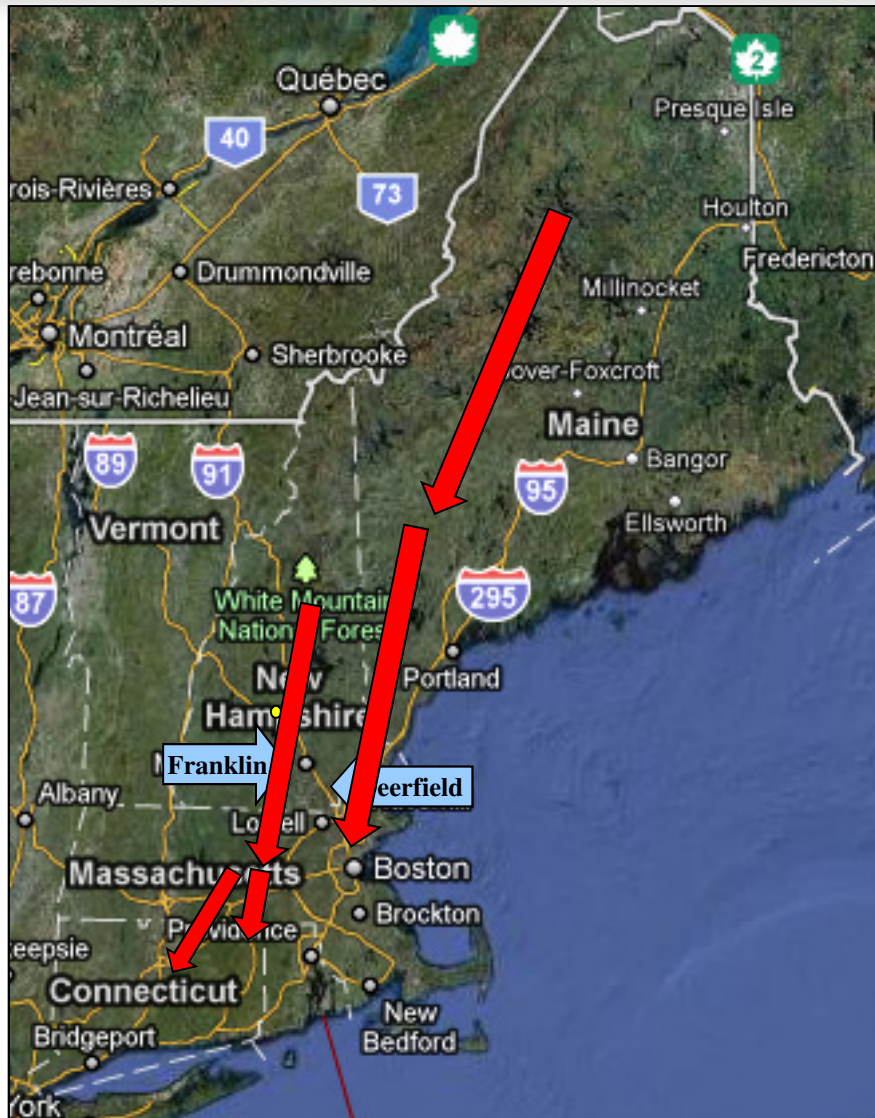


- Infrastructure challenges are pressuring customer's energy bills
- ISO-NE has determined that New England gas pipeline constraints may have added over \$3 billion to customers' energy bills
- The region needs to invest in both electric transmission and gas pipeline capacity to achieve renewable mandates and resolve power market issues

**Winter Season Market Costs
December – March
(ISO-NE Region)**



Major Renewable Resources in Northern New England and Canada, But They Are Far from Load



- Significant hydro, wind resources to the north
- Significant demand to the south
- RPS requirements rise every year
- Policymakers understand the need:

...the New England States, through NESCOE, have agreed that one or more request for proposals will be issued to advance the development of transmission infrastructure that would enable delivery of at least 1200 MW and as much as 3600 MW of clean energy into the New England electric system from no and/or low carbon emissions resources.

1/21/14 letter from New England States Committee on Electricity to ISO-New England

Factors That Will Drive Significant Additional Investment Beyond 2017

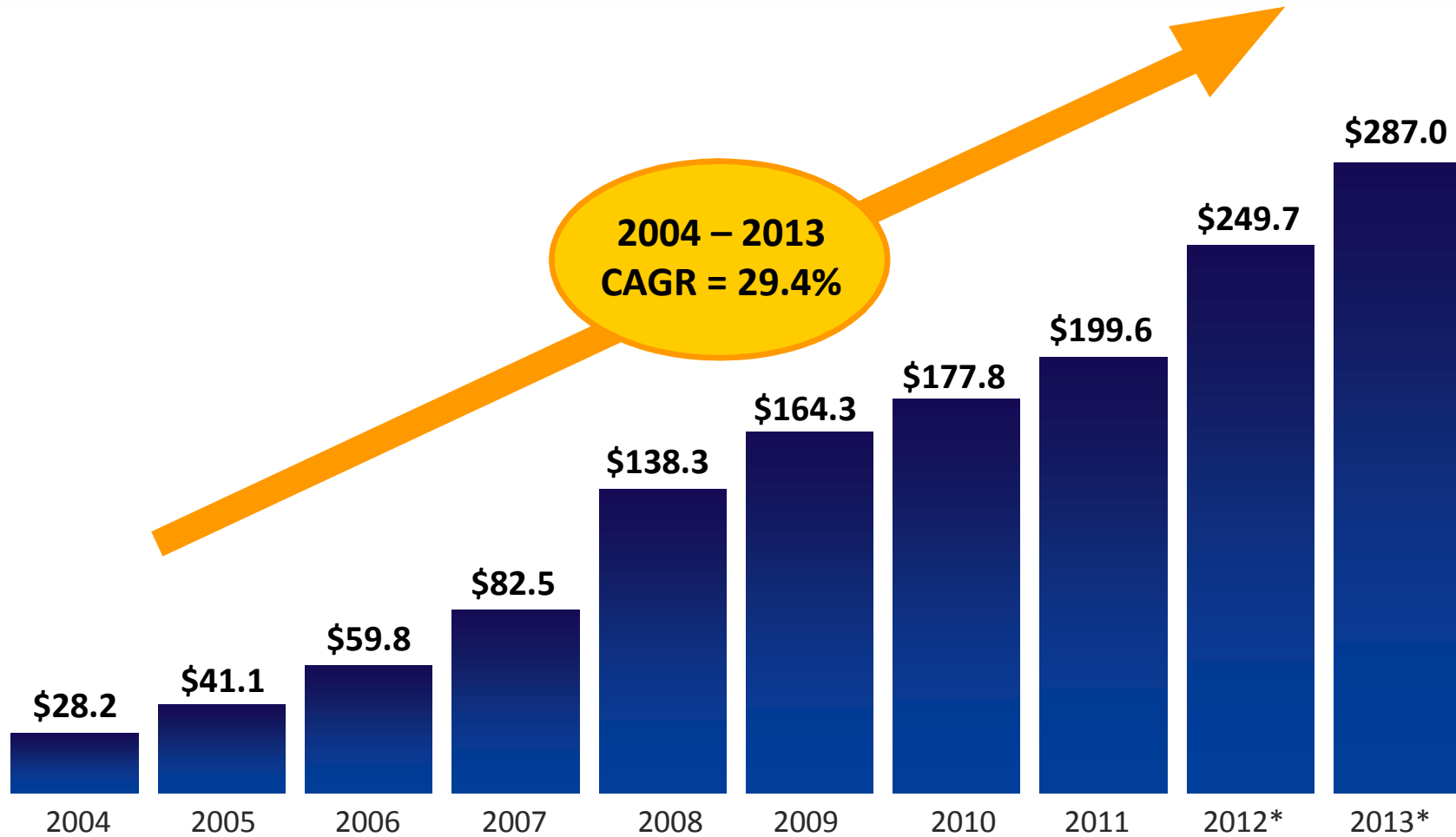


- Reliability projects beyond 2017
 - 2018 estimate raised by \$100 million to \$450-\$500 million
 - Generation retirements
- Moving renewable power to load
 - NESCOE initiative
- Physical security mandates
- Cyber security mandates
- Storm and flood hardening
- FERC Order 1000 opportunities



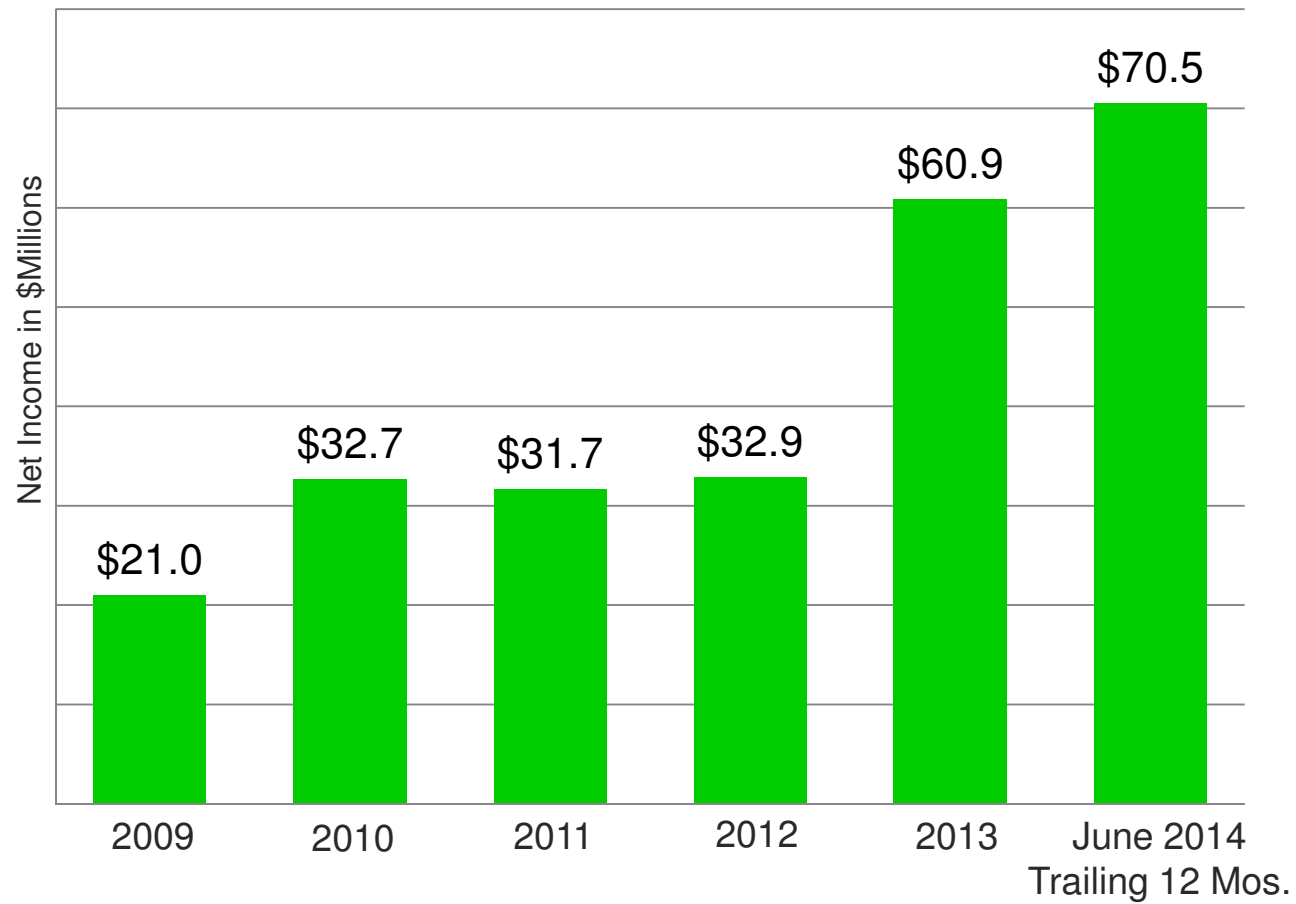
Transmission Investment Upside Continues

Transmission Earnings Grew Dramatically Over Past Decade



*Includes NSTAR Electric transmission earnings for last 9 months of 2012 and full year 2013.

Gas Segment Earnings Growth Projected to Continue

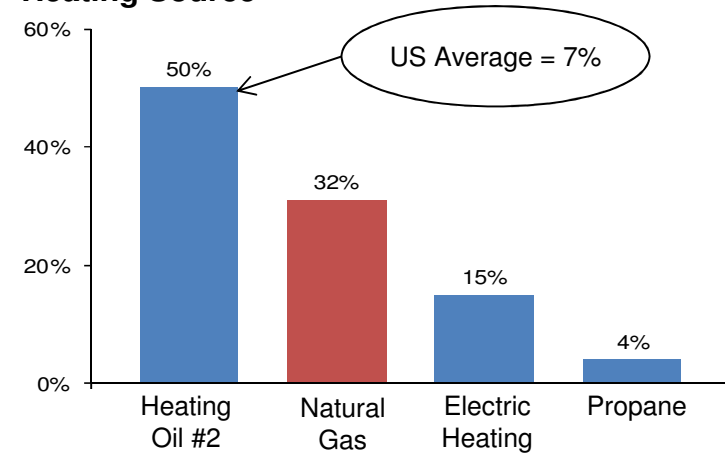


NU Natural Gas LDCs: Significant Expansion Ahead

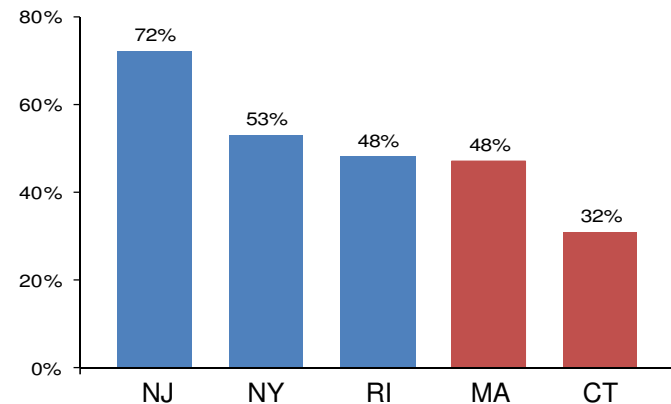


- Shale gas lowering natural gas prices in Northeast
- Oil heat much more expensive, yet remains dominant fuel source
- Huge conversion potential
- Favorable enabling legislation in Connecticut and Massachusetts
- Long-term pipeline contracts, storage guarantee firm natural gas supply
 - New supply contracts approved in Connecticut and Massachusetts

CT Residential Market Penetration by Heating Source



CT & MA residential gas heating penetration vs. nearby states

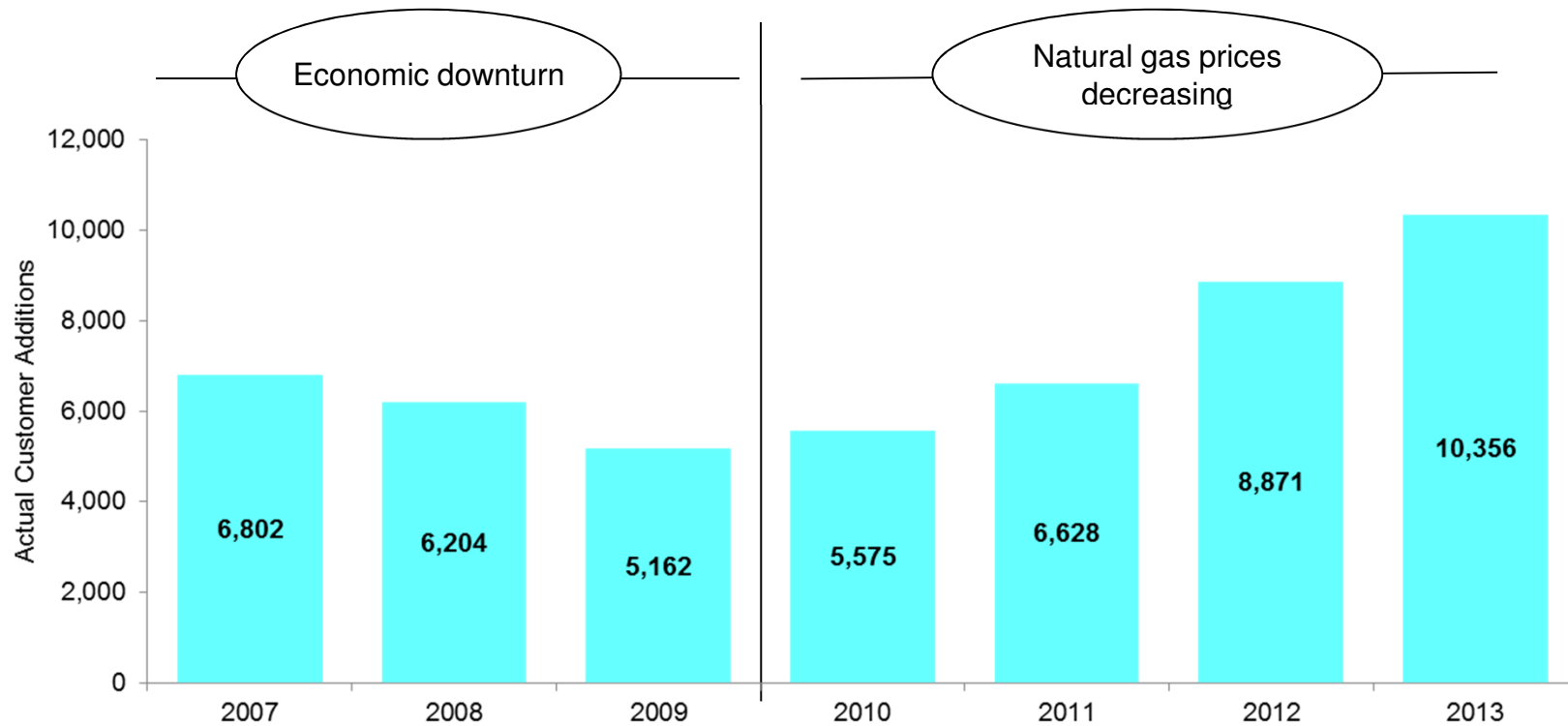


Sources: SNL; Energy Information Administration State Energy Data System (SEDS); Northeast Gas Association

Customer Growth Has Picked Up for NU's Natural Gas Business



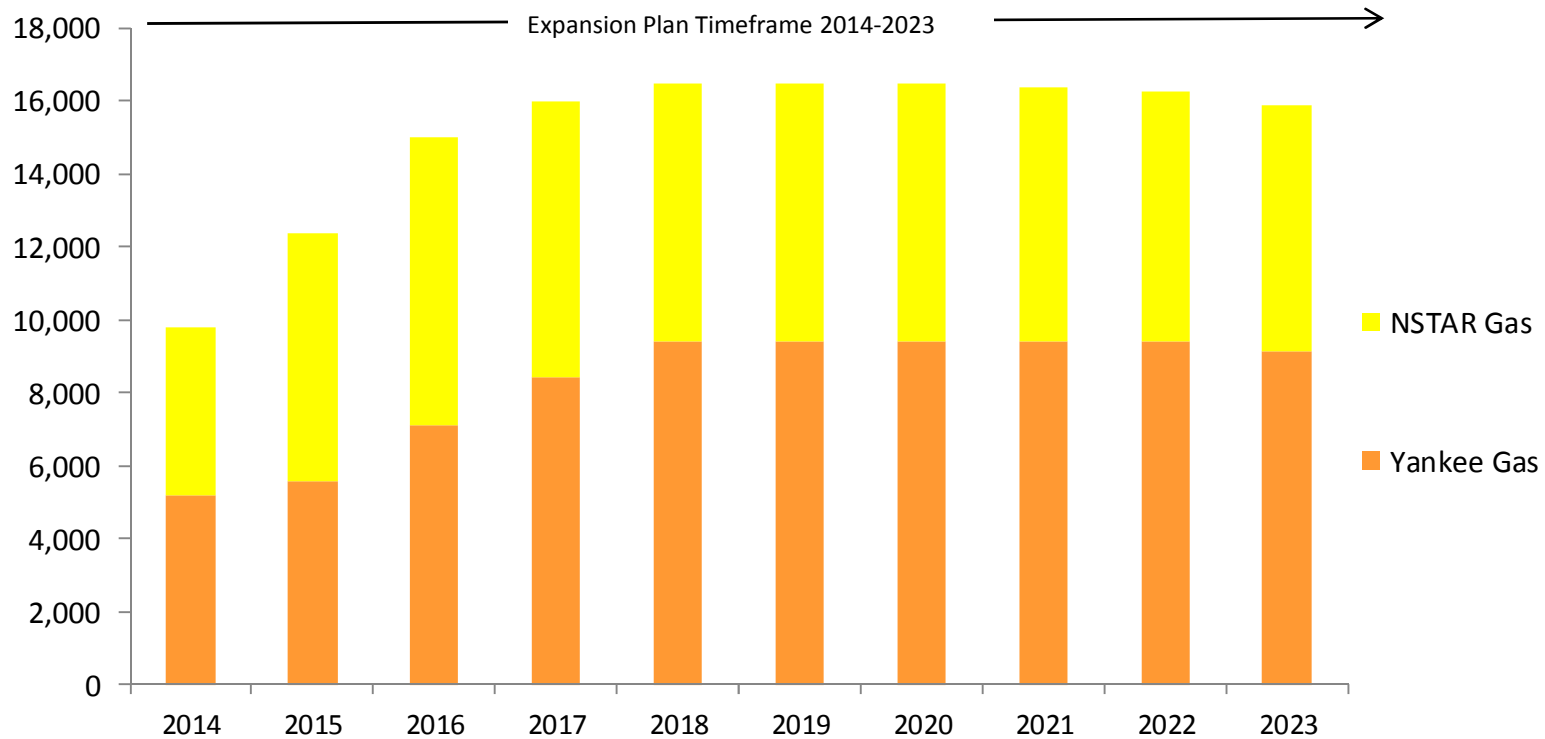
NU Natural Gas Business – NSTAR Gas and Yankee Gas 2007-2013 Annual Customer Additions (Conversions and new construction)



Potential for 151,000 Additional New Heating Customers Over the Next Ten Years



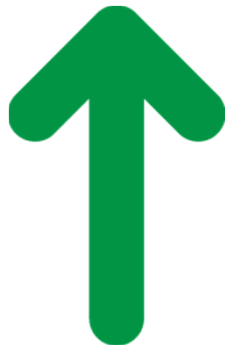
Potential conversion targets by year





EPS Range \$2.60 - \$2.70

Key Drivers Compared to \$2.53/Share of Recurring Earnings in 2013*



- Distribution revenue growth of \$35M - \$40M
- O&M reduction of 4%
- Transmission rate-base growth of 6% - 7%



- Depreciation and property taxes
- \$0.10/share charge due to FERC order
- Interest costs



*Represents non-GAAP earnings, which excludes \$13.8 million of integration costs in 2013. GAAP consolidated earnings were \$2.49/share.

Longer Term Growth – Exceeds Industry



**3-year
Guidance**



2012 – 2015: 6 - 9% CAGR

**5-year
Guidance**



2012 – 2017: 6 - 8% CAGR

Key Drivers for Long Term Guidance:

- Significant growth in FERC-regulated transmission – 11% CAGR
- 3% - 4% annual decline in O&M through 2017
 - Lower pension expense
 - Standardization of operating processes/adoption of best practices
- Annual retail sales growth—Electric 0.0% - 0.5%; Natural Gas 3% - 4%
- Modest distribution rate relief

Long-term Rate Stability



<u>Jurisdiction</u>	<u>Company</u>	<u>Commentary</u>
Massachusetts	NSTAR Electric	Base rates frozen through 12/31/15 with limitations on number of concurrent filings; NSTAR Gas to file first in 12/14 for new rates effective 1/1/16
	NSTAR Gas	
	WMECO	
Connecticut	CL&P	Rate case filed 6/9/14 Rate change effective 12/1/14
	Yankee Gas	Rate case filing anticipated in Q2 2015
New Hampshire	PSNH	Multi-year rate plan through 6/30/15

Key Elements of CL&P Rate Case



- Distribution rate increase request of approximately \$117 million effective 12/1/14
 - Hearings to commence in late August; decision in mid-December
- Driven by increased investment in reliability
 - \$726 million of investment projected from 7/1/12 (end of last 2-year rate plan) through 12/31/15; \$465 million already in service
 - Higher local property taxes and state gross earnings tax (\$35 million of increase)
 - Reliability metrics have improved significantly; 2013 performance best since 2000
- Lower O&M expense through strong financial management, operating changes, merger integration
- Storm cost recoveries will also commence December 2014

Other Regulatory Initiatives



FERC ROE Case



- 6/19/14 order lowered base ROE to 10.57%, pending final determination of long-term GDP growth rate
- Change of methodology adopted (1/2 way between high-end of zone of reasonableness [11.74%] and median [9.39%])

Storm Cases



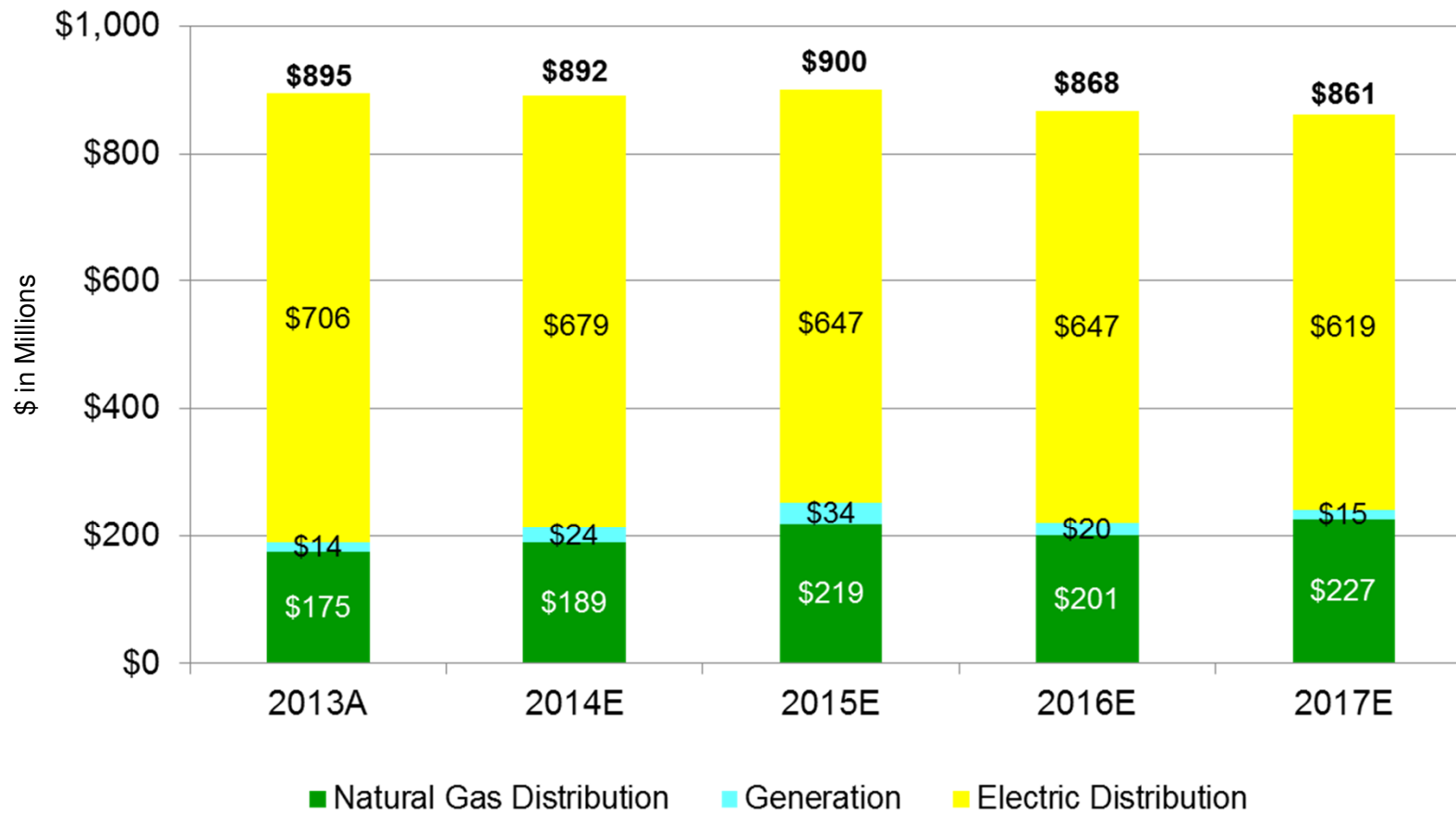
- PSNH storm cost recovery in place
- NSTAR 2011 storm cost recovery in place
- PURA issued final decision 3/12/14 allowing CL&P to recover \$365 million of 2011-2012 storm costs over 6 years beginning 12/1/14

Generation Update



- Merrimack Scrubber Case
 - Completed September 2011
 - Favorable staff testimony
 - Hearings set for October
- Generation Divestiture Review

Projected Distribution/Generation Capital Expenditures





Financing Activities Completed or Planned

- Implemented new commercial paper program at NU

DEBT RETIRED SINCE MERGER

Security	\$Millions	Date	Coupon
CL&P PCRBs	\$116.4	10/1/12	5.85% – 5.95%
WMECO PCRBs	\$53.8	10/1/12	5.85%
NSTAR Electric Unsecured	\$400	10/15/12	4.875%
PSNH PCRBs	\$109	5/1/13	5.45%
NU Unsecured	\$250	6/1/13	5.65%
WMECO Unsecured	\$55	9/1/13	5%
CL&P PCRBs	\$125	9/3/13	1.25%
NU Unsecured	\$300	9/20/13	Variable
PSNH PCRBs	\$89.25	12/23/13	4.75%
Yankee Gas Secured	\$75	1/2/14	4.80%
NSTAR Electric Unsecured	\$300	4/15/14	4.875%
PSNH Secured	\$50	7/15/14	5.25%

DEBT ISSUED SINCE MERGER

Security	\$Millions	Date	Coupon
WMECO Unsecured	\$150	10/4/12	3.50%
NSTAR Electric Unsecured	\$400	10/15/12	2.375%
CL&P Secured	\$400	1/15/13	2.50%
NU Unsecured	\$450	5/13/13	2.80%
NU Unsecured	\$300	5/13/13	1.45%
NSTAR Electric Unsecured	\$200	5/17/13	Variable
PSNH Secured	\$250	11/14/13	3.50%
WMECO Unsecured	\$80	11/15/13	3.88%
Yankee Gas Secured	\$100	1/2/14	4.82%
NSTAR Electric Unsecured	\$300	3/7/14	4.40%
CL&P Secured	\$250	4/24/14	4.30%

UPCOMING MATURITY

Security	\$Millions	Date	Coupon
CL&P Secured	\$150	9/15/14	4.80%