



**Northeast
Utilities**



Deutsche Bank 2012 Clean Tech, Utilities & Power Conference

MAY 14, 2012

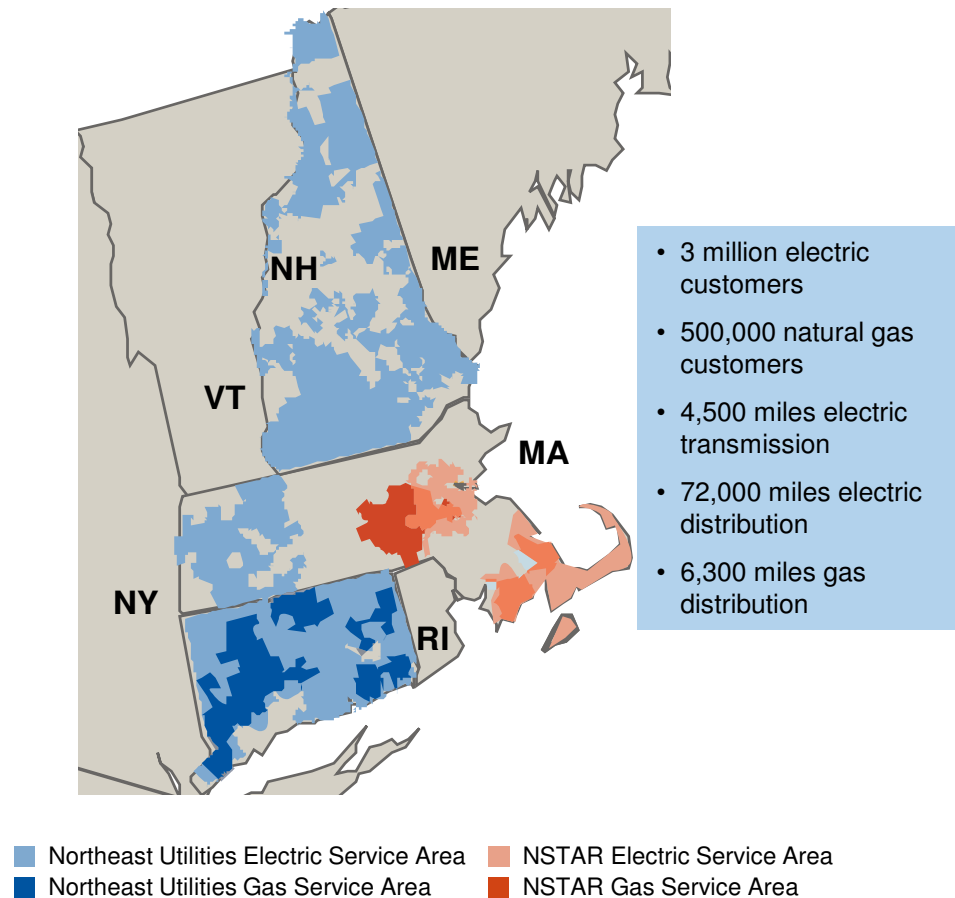
NU Safe Harbor Provisions

This presentation contains statements concerning NU'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, a listener or reader 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 are based on the current expectations, estimates, assumptions or projections of management and are not guarantees of future performance. These expectations, estimates, assumptions or projections may vary materially from actual results. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause our actual results to differ materially from those contained in our forward-looking statements, including, but not limited to, 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 our products and services; changes in weather patterns; changes in laws, regulations or regulatory policy; changes in levels and timing of capital expenditures; disruptions in the capital markets or other events that make our 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; the effects and outcome of our merger; and other presently unknown or unforeseen factors. Other risk factors are detailed in our reports filed with the Securities and Exchange Commission (SEC). Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake 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.

NU-NSTAR Merger Closed April 10, Creating the Largest Utility Company in New England

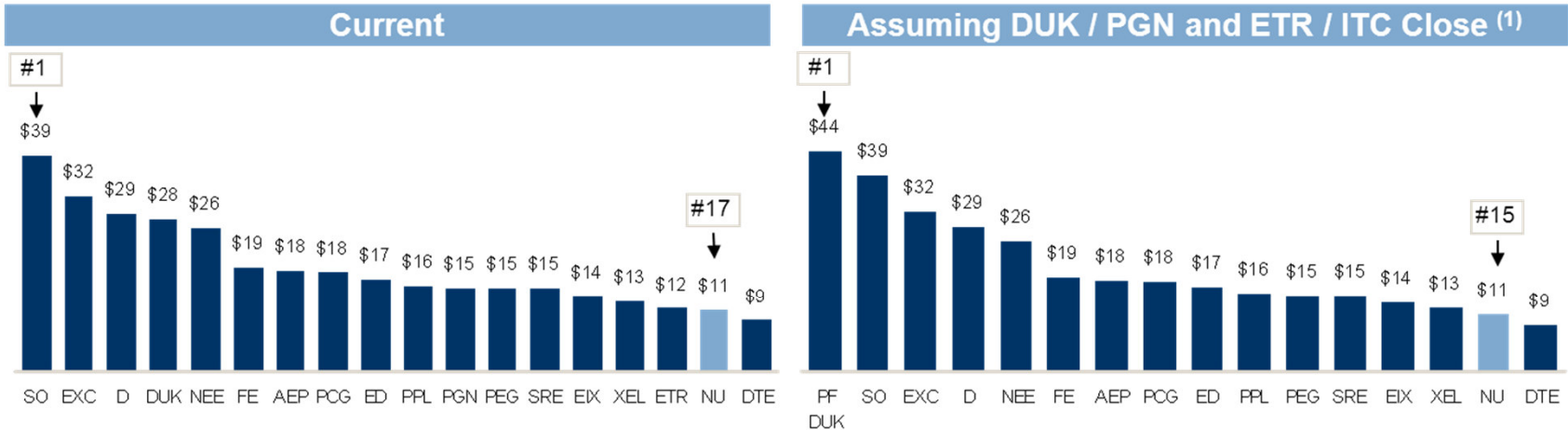
- Significant infrastructure investment opportunities combined with balance sheet strength provide for substantial growth potential
- Larger, diverse and better positioned to support economic growth and state public policy initiatives in New England
- Provides an enhanced total shareholder return proposition
- Enhances service quality capabilities for the largest customer base in New England
- Highly experienced and complementary leadership team with proven track record
- NU dividend increase of 17 percent declared May 2

Combined Service Territory

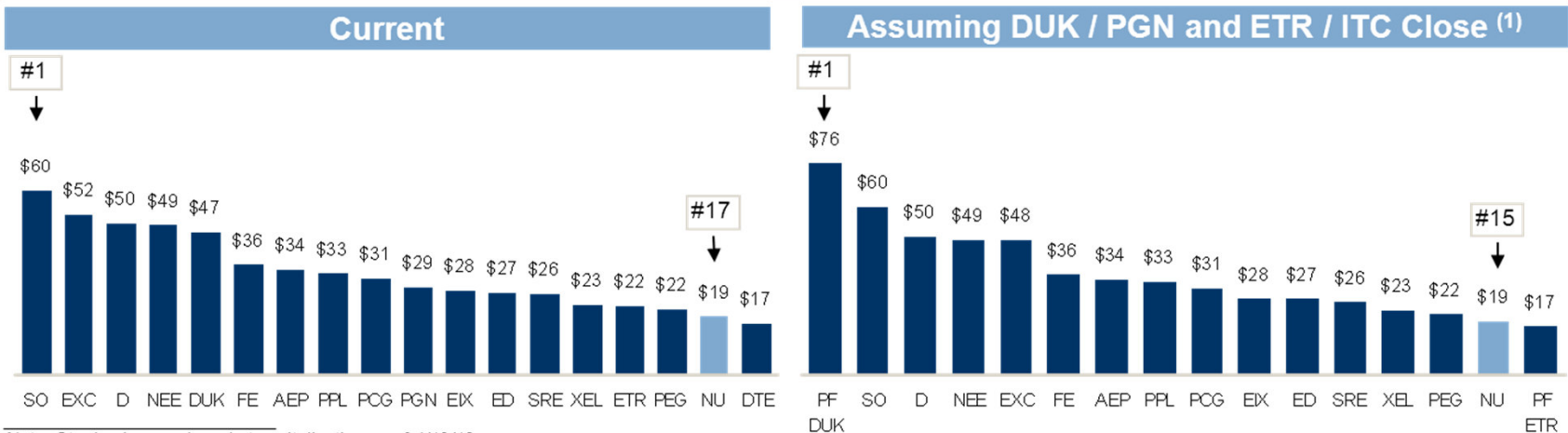


Merged Company Now One of the Industry's Largest

Market Capitalization (\$ in billions)



Total Enterprise Value (\$ in billions)



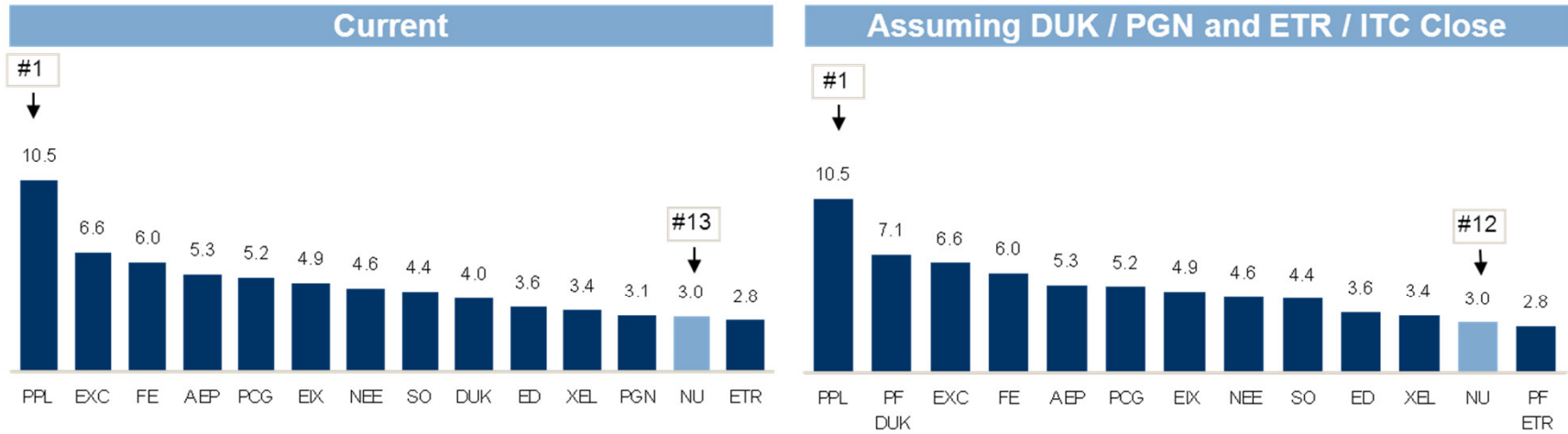
Note: Stock prices and market capitalization as of 4/19/12.

1. ETR pro forma for ETR's separation of its transmission business (assumed market value of ~\$3.2 bn). ITC pro forma for its planned Reverse Morris Trust merger with ETR's transmission business (assumed combined market value based on ITC's current equity value of ~\$3.9bn adjusted for \$700mm dividend ITC shareholders will receive immediately before transaction closing).

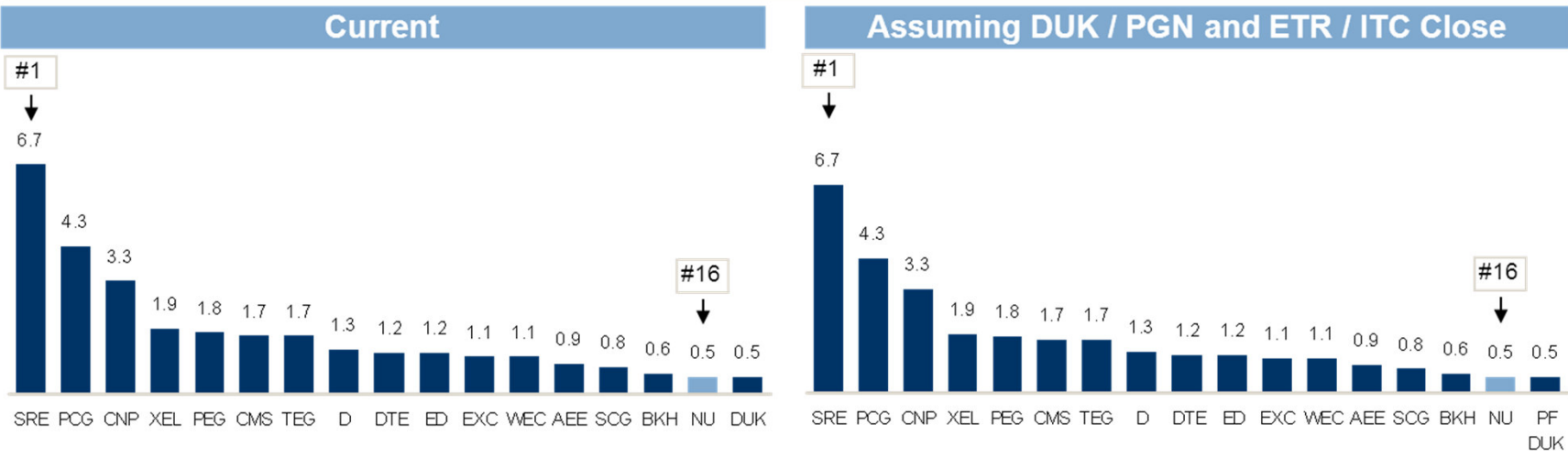
Our 3.5 Million Customers Place Us in the Top 16 Among Electric and Natural Gas Utilities



Electric Customers (mm)

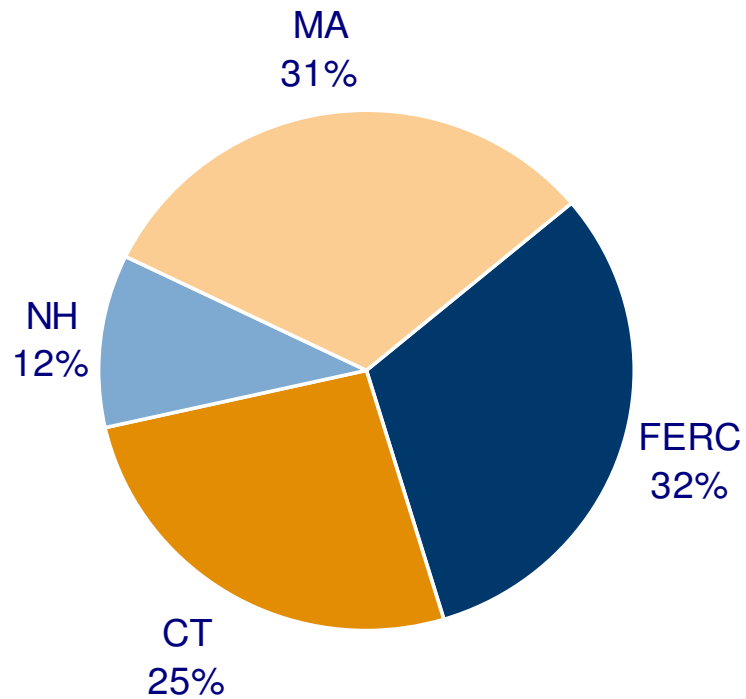


Gas Customers (mm)

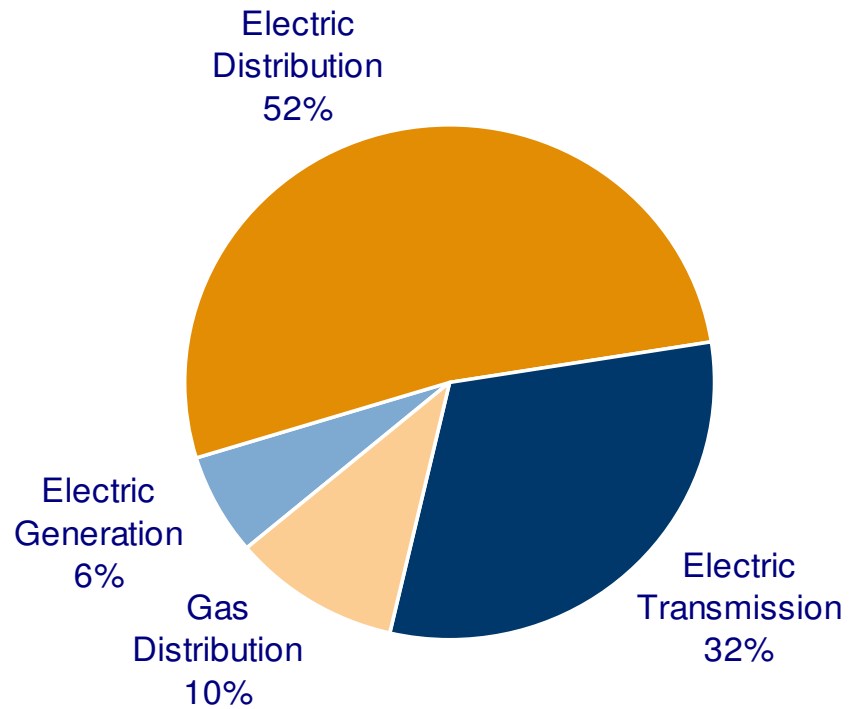


The Merger Has Created a More Diverse Business

Rate Base By State / Federal



Rate Base By Business



Combined 2011 Rate Base: \$12.4 billion

NU Dividend Raised to Exchange-Adjusted NSTAR Level

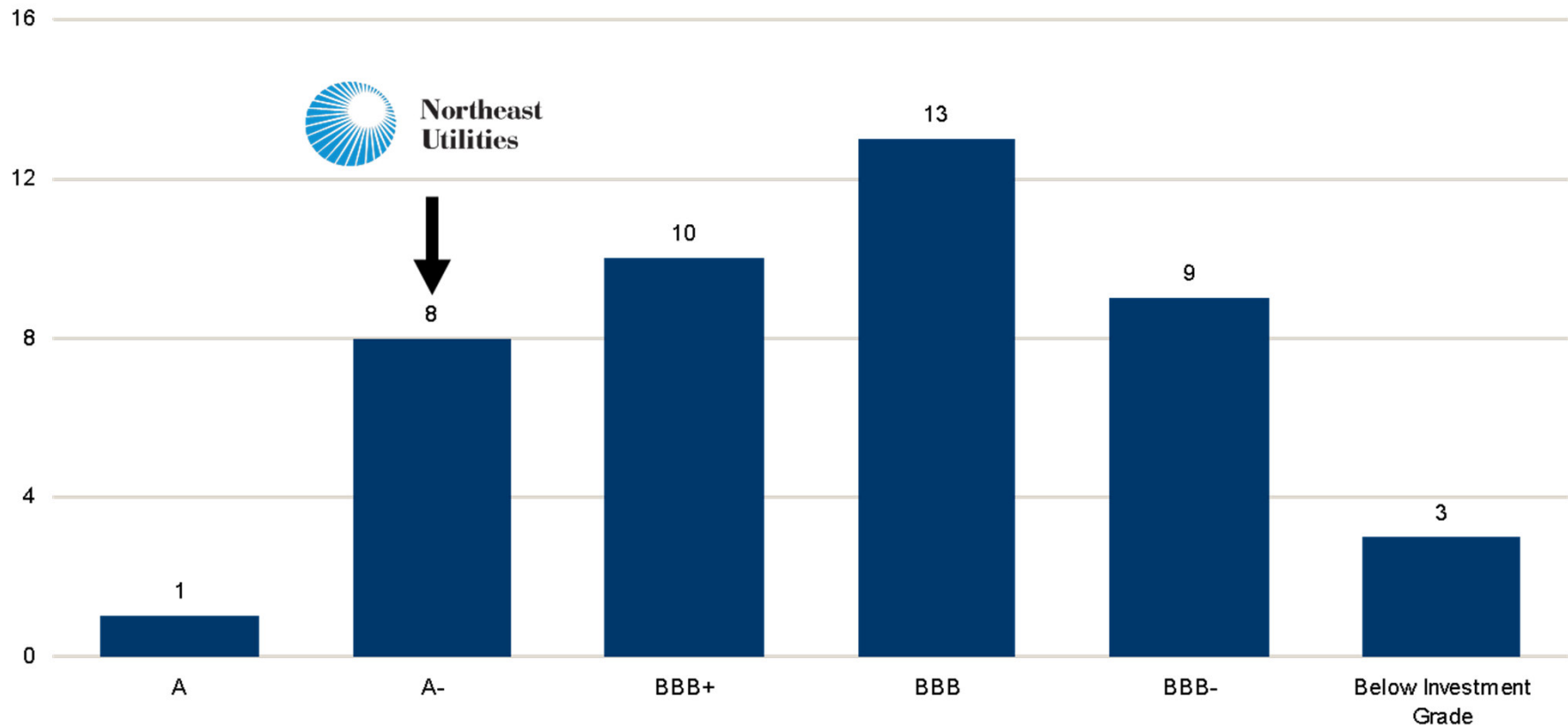


Strong Credit Ratings

NU's corporate credit ratings now in the top quartile of electric utility ratings

Utility Credit Ratings Distribution⁽¹⁾

Number of Issuers



1. Source: Standard & Poor's, "Industry Report Card: U.S. Regulated Electric Utilities' Credit Quality Remains Stable" (3/28/12). Long-Term Rating of U.S. Investor-Owned Regulated Electric Utilities, excluding subsidiaries. NU Ratings as of April 5, 2012.

NU Business Segments Have a High Level of Rate Certainty

Distribution	NSTAR Electric	Rates frozen through 12/31/15; reconciling adjustments continue to operate
	NSTAR Gas	
	WMECO	
	CL&P	Rates frozen through 11/30/14; reconciling adjustments continue to operate
	Yankee Gas	\$7 million rate increase to take effect 7/1/12
	PSNH	Multi-year rate plan through 6/30/15. Increases of \$7 million on 7/1/12 and \$10 million on 7/1/13 anticipated
Transmission		Fully reconciling rates – no general rate cases
Generation	PSNH	Fully reconciling rates – no general rate cases
	WMECO (solar)	

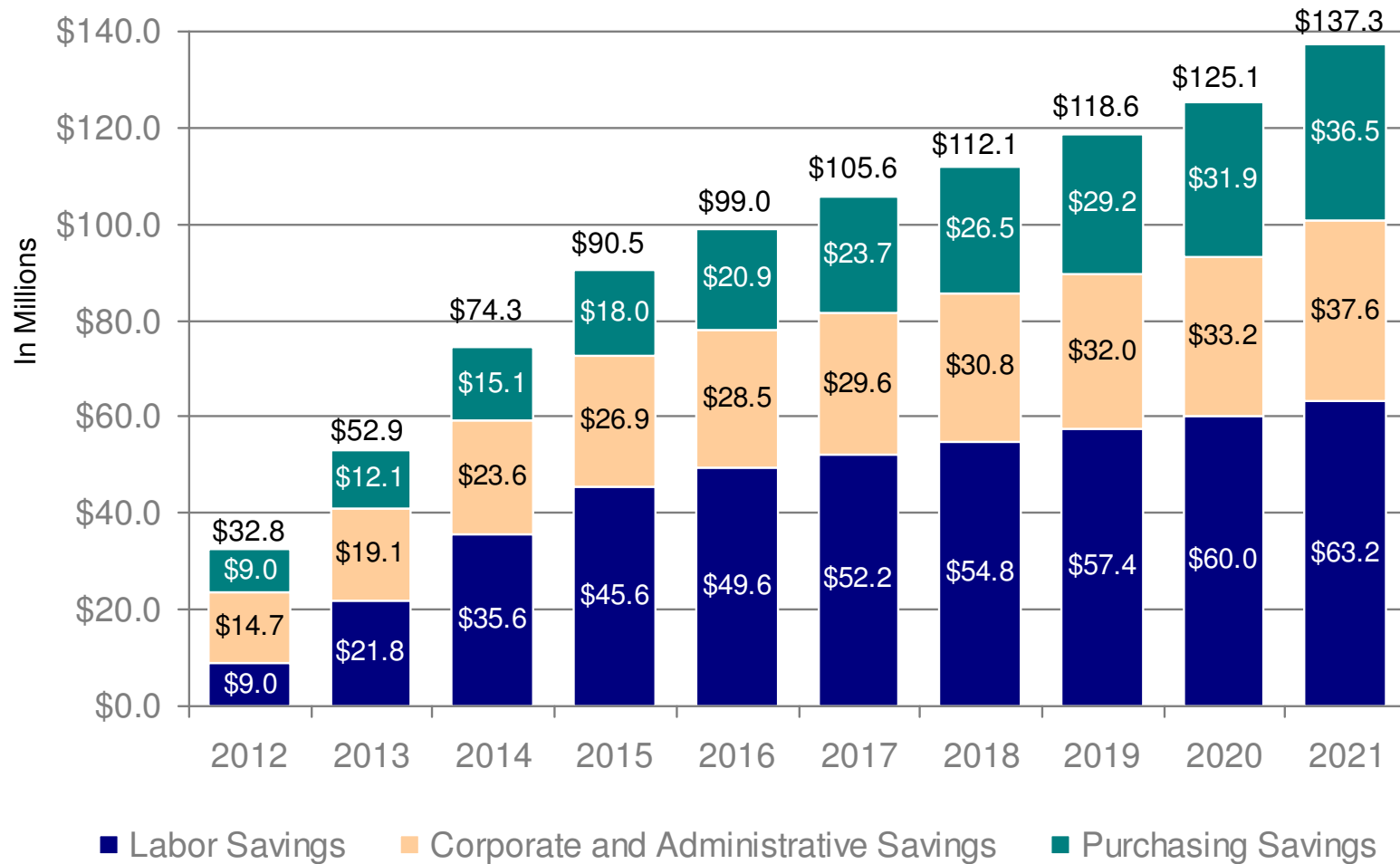
Massachusetts Settlement Agreements – Key Provisions

- **Settlement Agreement – MA Attorney General and DOER**
 - One-time \$21M rate credit allocated among NSTAR Electric, NSTAR Gas and WMECO
 - Distribution rate freezes for all three companies until 2016
 - Excludes current reconciling tariffs, and exogenous costs provision included
 - Recovery of lost base revenues (NSTAR Electric)
 - Storm cost recovery following prudence review
 - NSTAR Electric – To be recovered over 5 years commencing 1/1/14
 - WMECO – Follow storm recovery process approval in January 2011 rate decision
 - Safety and infrastructure improvement program to continue, up to \$15M (NSTAR Electric)
 - Amortization of merger-related costs (for rate-making) over 10 years
 - Executive retention and change of control costs excluded
- **Settlement Agreement – MA Department of Energy Resources (DOER)**
 - NSTAR Electric 15-year contract for energy related to 129MW (27.5%) of Cape Wind Project
 - Recoverable through reconciling tariff
 - NSTAR Electric and WMECO target 2.5% energy efficiency savings in 2013 – 2015
 - NSTAR Electric pursues 10-year solar contracts for up to 10MW (Maximum: 5mw/contract)
 - NSTAR Electric will have electric vehicle pilot program collaboration with DOER
 - Enhanced cost reporting requirements and rate base audit

Connecticut Settlement Agreement – Key Provisions

- Key parties: CT Attorney General, CT Office of Consumer Counsel, NU, NSTAR
 - One-time \$25M rate credit for CL&P customers
 - CL&P base distribution rate freeze until December 1, 2014
 - Exogenous events provision included
 - Reconciling provisions continue
 - \$15M non-recoverable payment to fund state energy initiatives
 - \$40M reduction in maximum level of recoverable storm costs (approximately \$260M deferred in 2011)
 - \$300M total additional investment in “system resiliency” over multiple years
 - Recovery at weighted average cost of capital through rate mechanism
 - Recovery associated with first \$100M (to be invested 2013-2014) capped at \$25M during fixed rate period
 - Multiple conditions concerning NU’s presence and employment levels in CT and extension of open space land MOU

Net Benefit Analysis Used as the Basis of Regulatory Reviews



Note: Savings reflected above exclude \$164.3 million merger integration costs.

Major Transmission Projects Advance Current Status Report - NEEWS

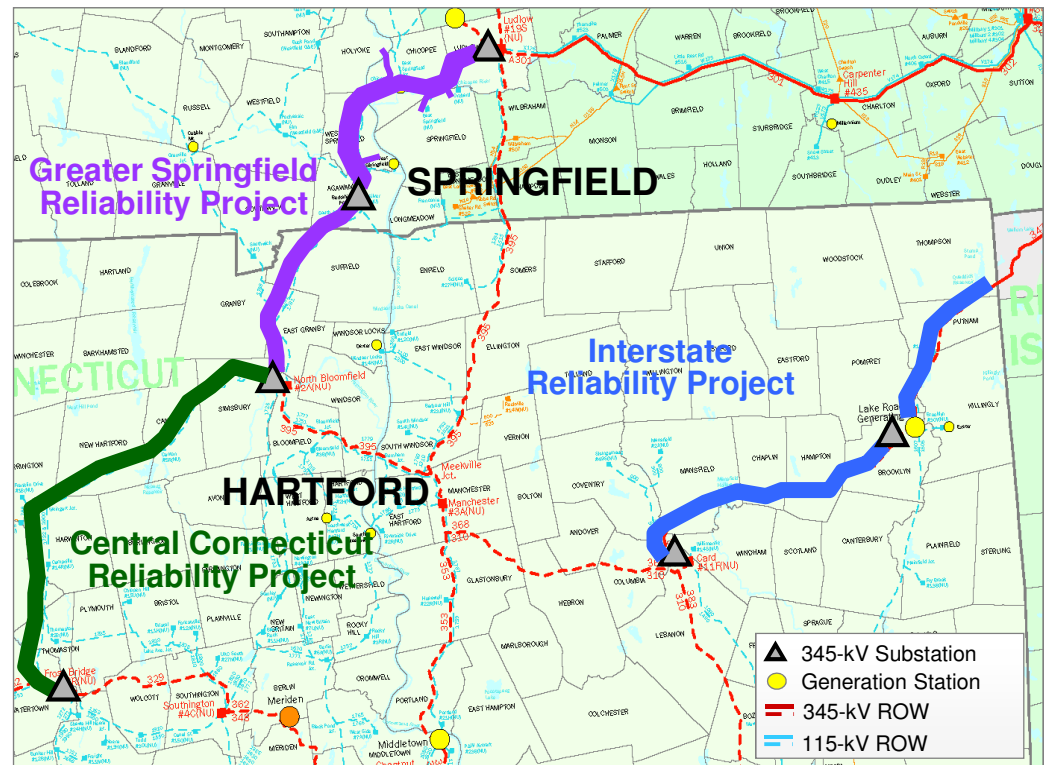
Greater Springfield Reliability Project

Under Construction

- Substation construction commenced in MA in December 2010; in CT in summer 2011
- Projected in-service: late 2013
- Total projected NU cost: \$718 million
- Project more than 64% complete as of 4/30/12

Interstate Reliability Project

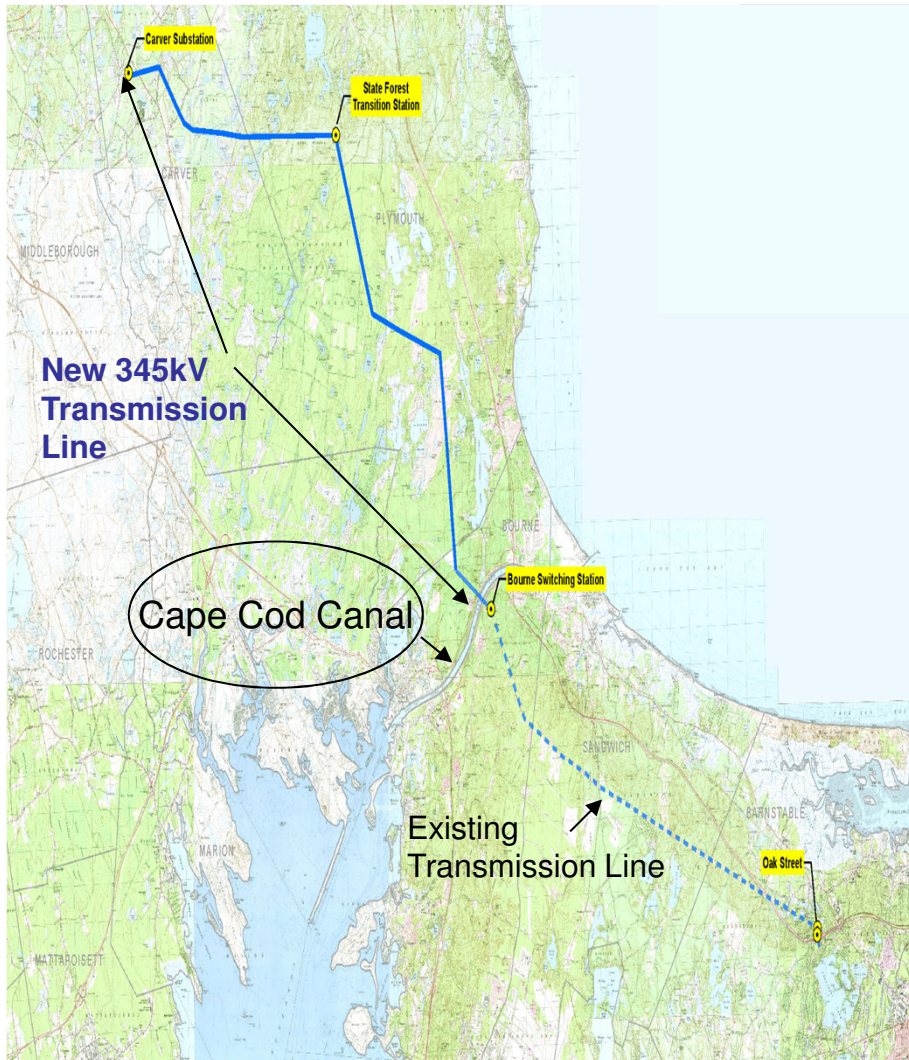
- Joint project with National Grid (NU in CT; NGrid in MA & RI)
- ISO-NE confirmed need: August 2010
- Siting application filed in CT in December 2011; evidentiary hearings in June 2012
- Siting decisions: CT in 2013; MA, RI in late 2013
- Commence construction: late 2013/early 2014
- Projected in-service: late 2015
- Total projected NU cost: \$218 million



Central Connecticut Reliability Project

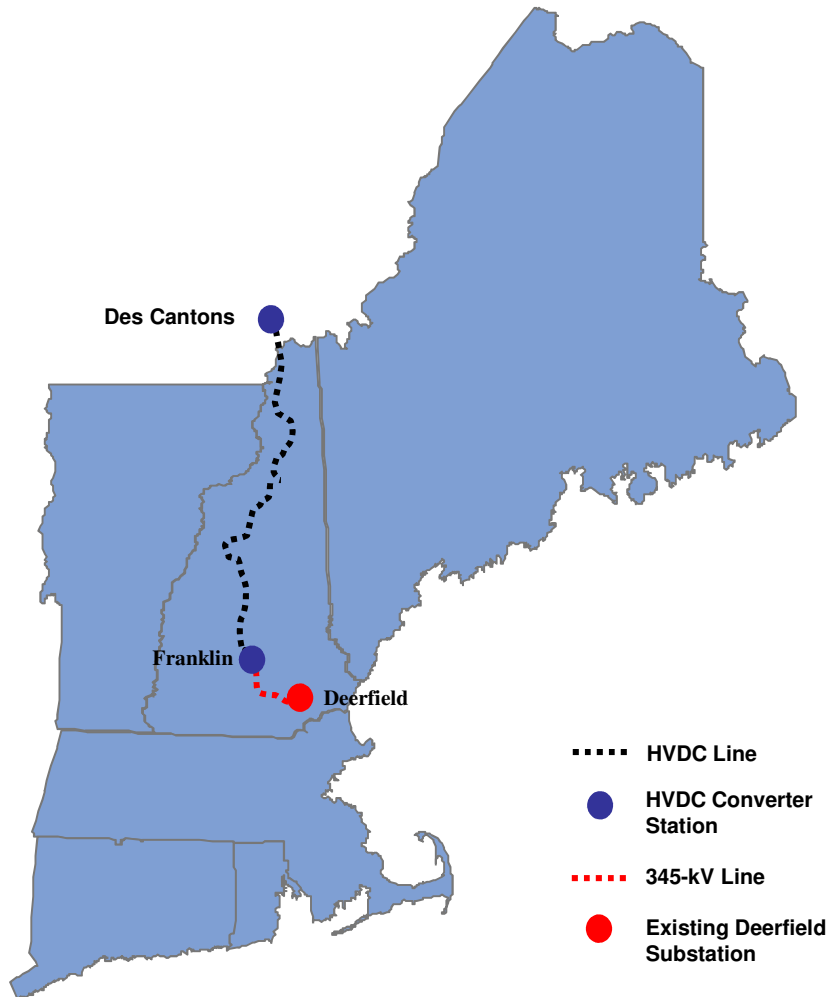
- ISO NE expected to issue preliminary need results and transmission solutions in 2013
- Projected in-service: 2017
- Total projected NU cost: \$301 million

Current Status Report – Cape Cod Canal Transmission Line



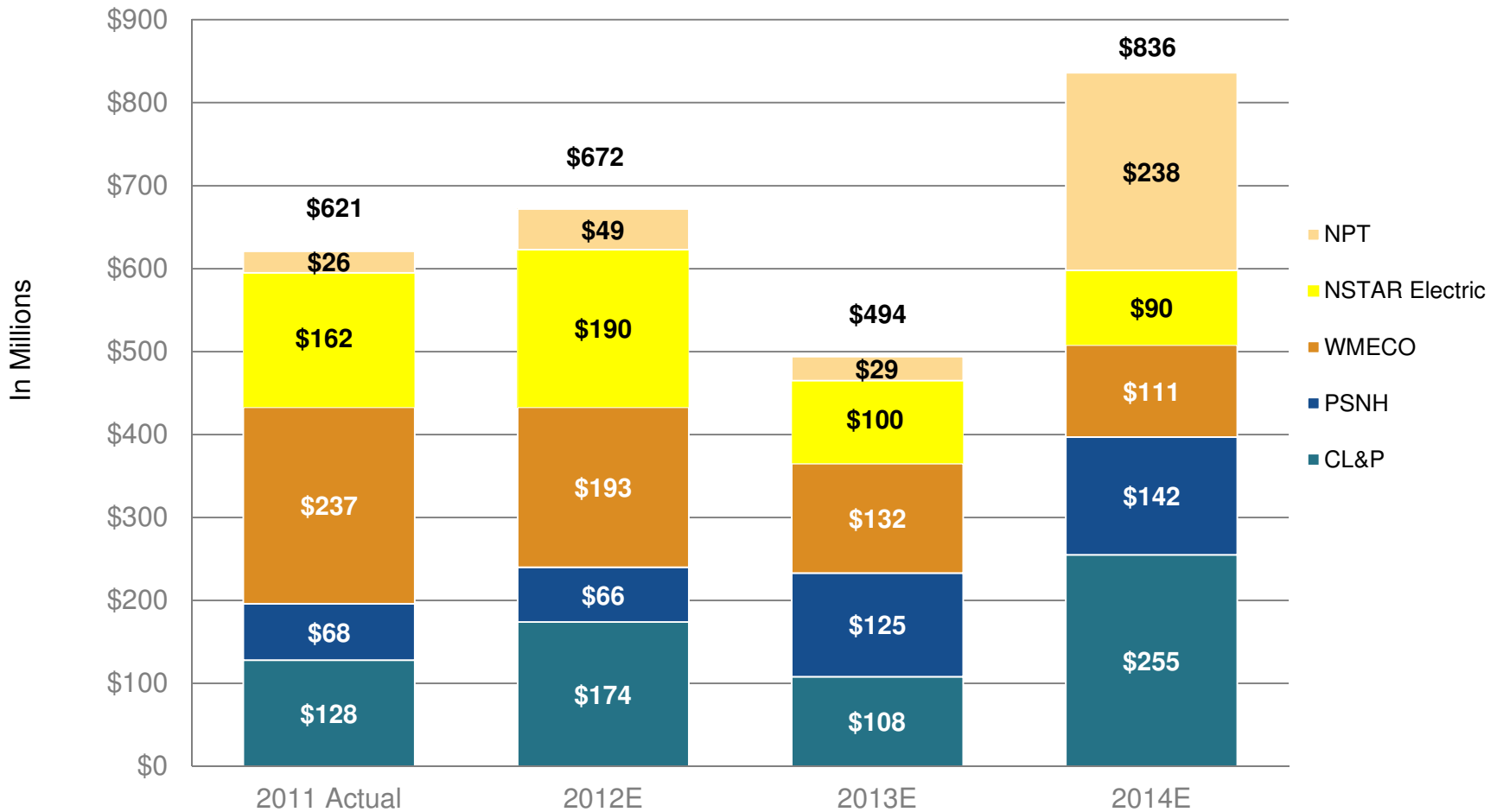
- New 345kV, 18 mile overhead transmission line
- NE-ISO approved the line for reliability
- January 2012: Cape Cod Commission approval
- April 2012: EFSB approval
- Cost estimated at \$110M
- Construction 2012-2013
- In-service early 2013
- FERC ROE of 11.64%

Current Status Report - Northern Pass

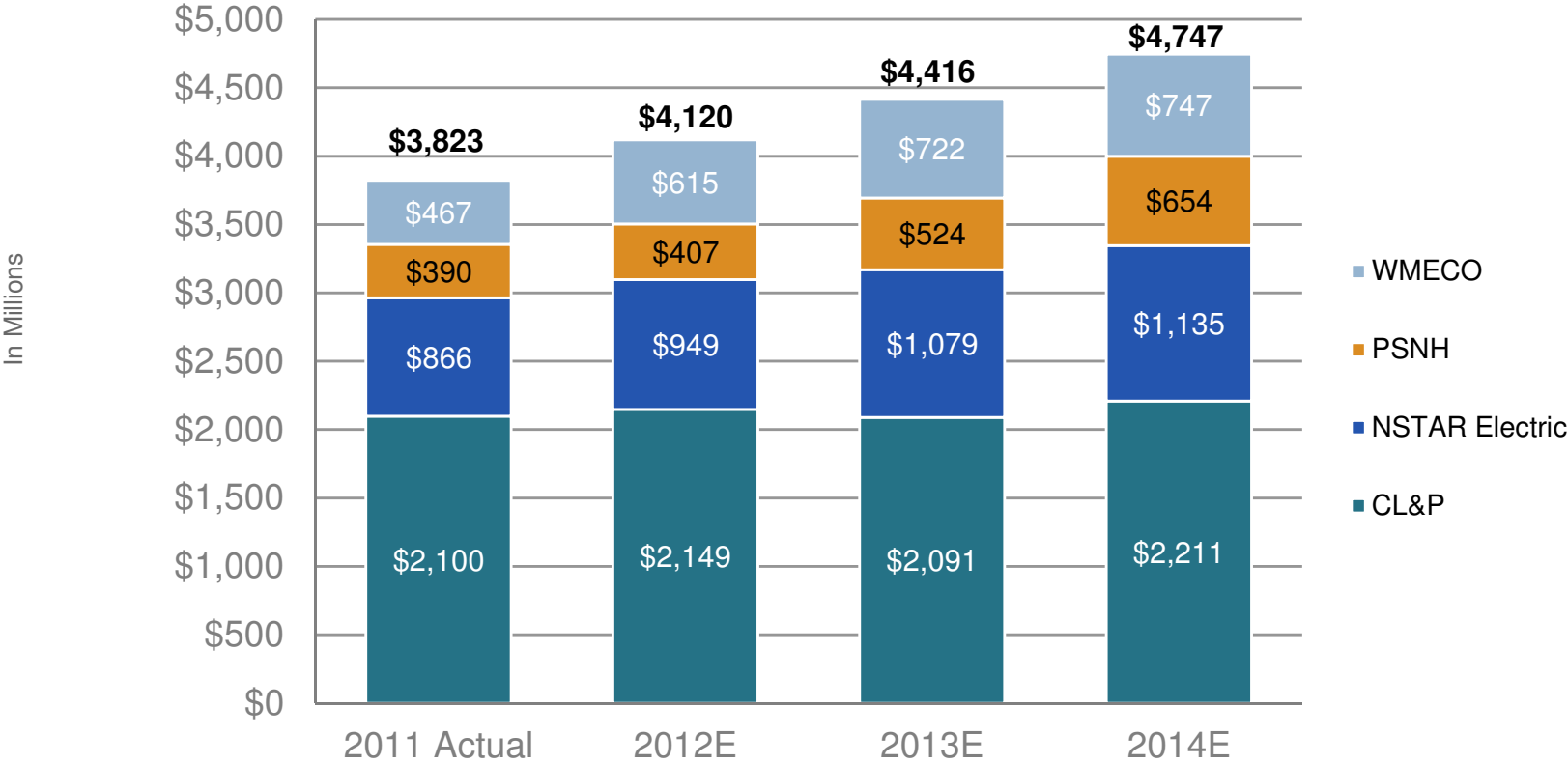


- To be owned by Northern Pass Transmission LLC
- 1,200 MW transfer capability
- Significant environmental and economic benefits for New England
- Northern terminus of DC line at Des Cantons (Québec), southern terminus in Franklin (New Hampshire)
- 345kV AC leg from Franklin to Deerfield, NH
- TSA accepted by FERC
- Permitting process continues with U.S. DOE, U.S. Forest Service
- Continued progress in securing alternate route in northern New Hampshire
 - Community outreach ongoing
- Eminent domain legislation signed
- Capital cost estimate for US segment - \$1.1 billion
 - Completion projected for fourth quarter 2016

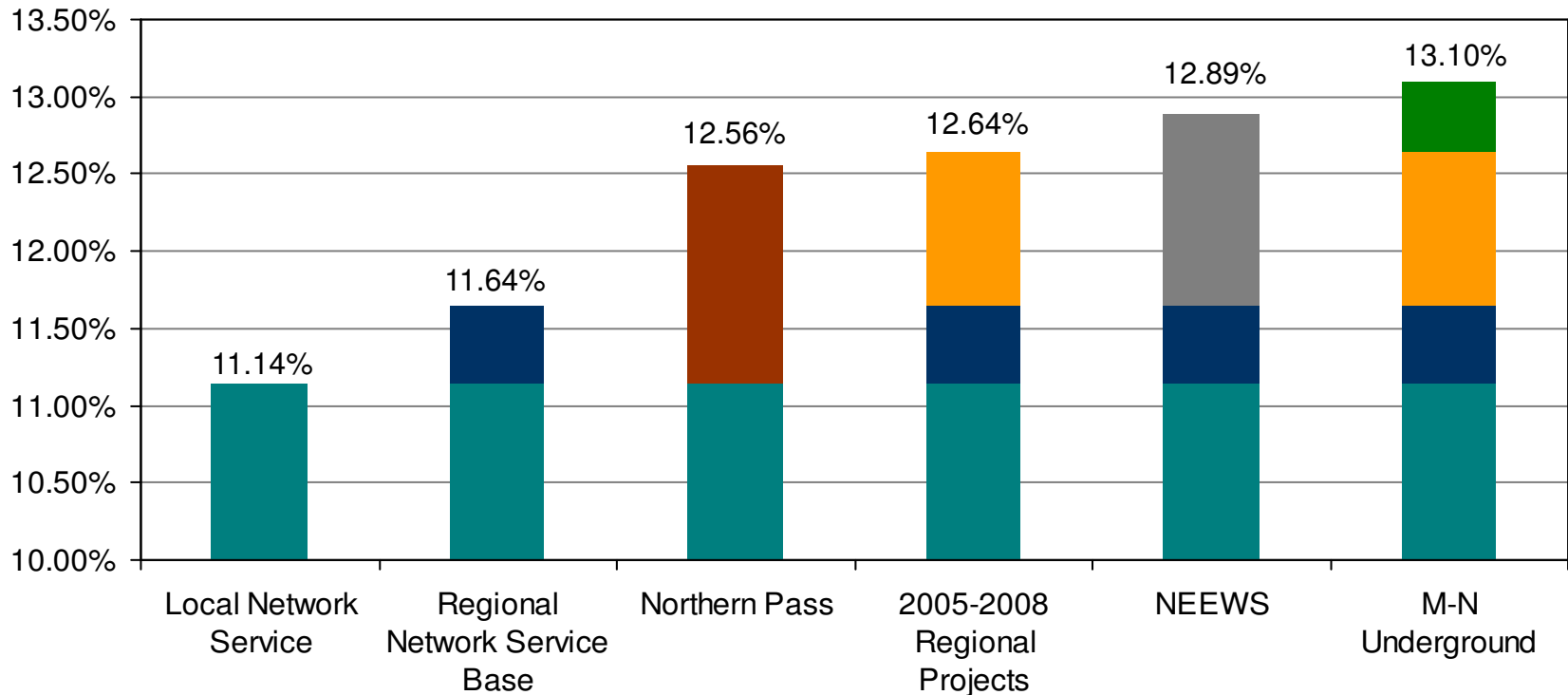
Transmission Capital Expenditures Reflect Significant Infrastructure Investment



Transmission Year-End Rate Base Forecast



Review of FERC-Approved Transmission ROEs

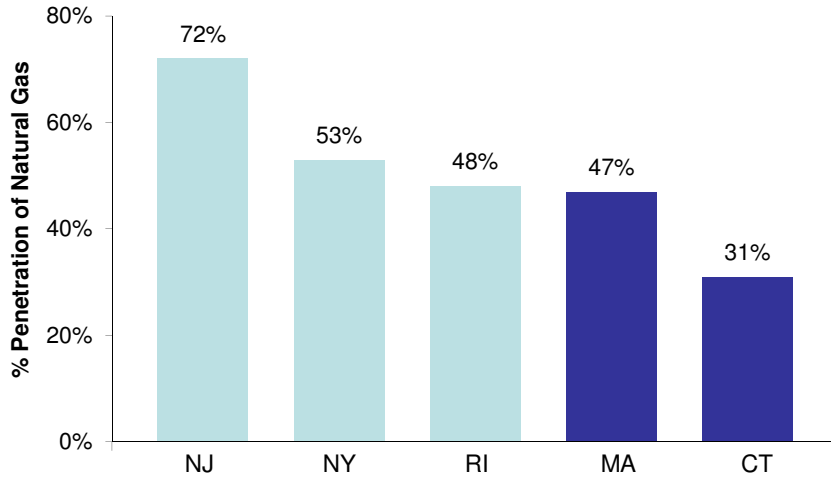


- NU's Local Network Service Tariff ROE (subject of states' 9/30/11 Section 206 complaint to FERC)
- NE RTO Incentive adder of 50 basis points on PTF assets
- ISO-NE Planned Regional PTF projects in-service before 1/1/09 (D.C. Circuit Court rejected appeal on 1/29/10)
- Middletown-Norwalk advanced technical underground cable system
- 125 basis point NEEWS incentive (request for reconsideration denied by FERC on 6/28/11)
- 142 basis point Northern Pass incentive (request for reconsideration denied by FERC on 8/5/11)

Natural Gas: A Compelling Infrastructure Growth Opportunity

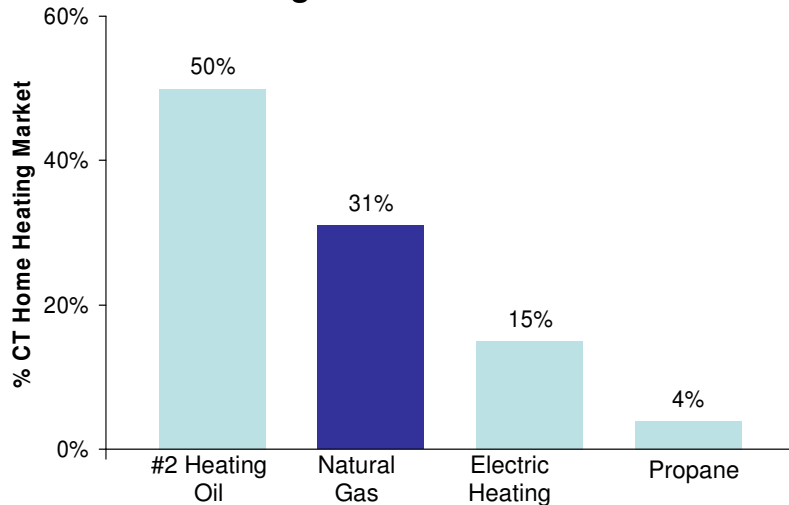


Natural gas penetration MA, CT vs. other states



- CT, MA have relatively low penetration of natural gas in home heating market

CT Home Heating Market Penetration

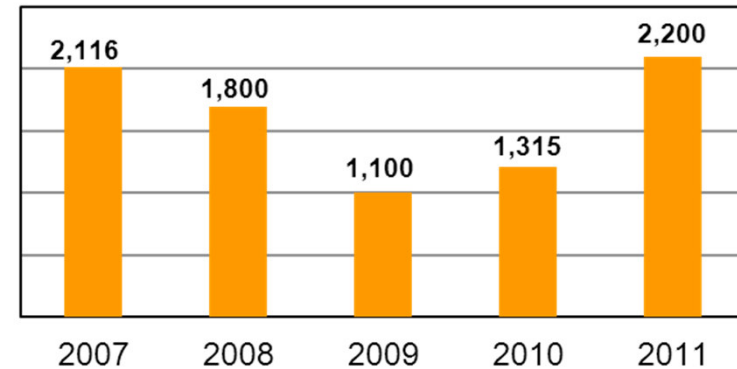


- Economics have swung meaningfully in favor of natural gas
- Environmental factors also favor natural gas

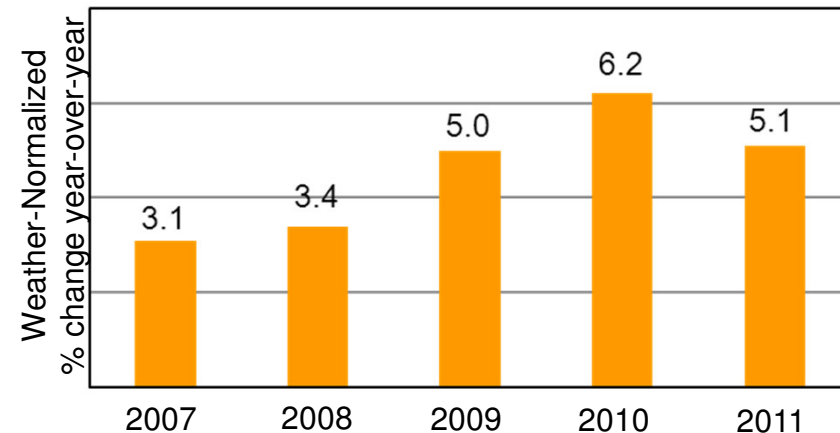
Despite Obstacles, NSTAR Gas, Yankee Gas are Experiencing Growth

- Growth has begun, but significant opportunities remain for NSTAR Gas, Yankee Gas
- 90,000 non-gas homes and businesses within 150 feet of existing mains
 - More than 4,000 converted in 2011 alone
- 38,000 existing customers are low-use – do not use natural gas for space heating

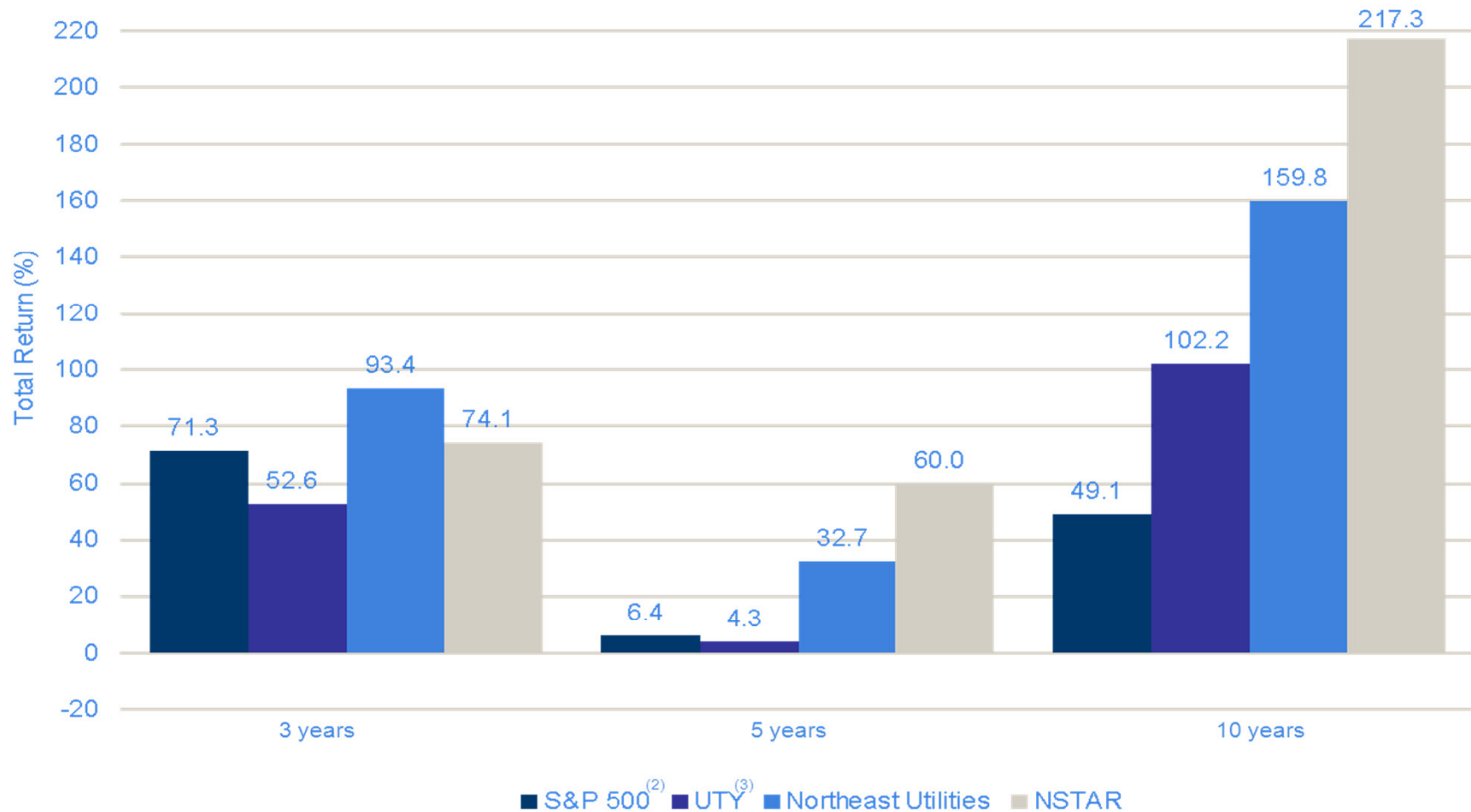
NSTAR Gas New Services



Yankee Gas Sales (firm)



Summary: Two Companies With Proven Records of Delivering Superior Shareholder Value Now Merged



Source: Bloomberg. Returns for the respective periods calculated through merger closing date of 4/9/2012.

1. Total returns assumes reinvestment of dividends.

2. Total returns calculated based on S&P 500 market index, which is weighted by market capitalization.

3. Total returns calculated based on UTY market index, which is weighted by market capitalization.