



2017

*Sustainability
Report*

EVERSOURCE



Table of Contents

CEO'S MESSAGE	4
SUSTAINABILITY AT EVERSOURCE	5
Report Assurance	5
OUR ENVIRONMENT	6
CLIMATE LEADERSHIP	6
Carbon Strategies.....	6
Our Footprint	7
Operations Optimization	9
Energy Efficiency Programs	11
CLEAN ENERGY	16
Addressing the Region's Energy Challenges.....	17
Other State Clean Energy Initiatives.....	18
Electric Vehicles	19
ACCOUNTABILITY	20
Water Resources.....	20
Waste Management and Pollution Prevention.....	20
Environmental Compliance.....	21
STEWARDSHIP	22
Biodiversity	22
Land Management.....	23
OUR BUSINESS.....	25
About Our Company.....	25
2016 Awards and Recognition.....	26
Corporate Governance	26
Ethics and Risk Management	27
Financial Performance.....	27
Sustainable Supply Chain.....	30
SERVING OUR CUSTOMERS	32
Customer Experience	32
Customer Assistance Programs	33
Reliability & Resiliency Initiatives.....	34
Emergency Preparedness	38
Distributed Generation.....	39
In The Community	39
OUR PEOPLE.....	42
Safety	42
Workforce Investment.....	43
Diversity and Inclusion.....	45



Employee Wellness	46
MATERIAL ISSUES	47



CEO'S MESSAGE

At Eversource, we have set an aggressive goal—to be the best energy company in the nation by 2020.

We have made significant headway in increasing the strength of two key pillars—customer reliability/operational excellence and top tier financial performance. We plan to build upon this success.

In 2016, we focused on enhancing our customers' experience by making it easier to do business with us; supporting a diverse and engaged group of nearly 8,000 employees who are ready to deliver great service safely; developing clean energy strategies that will enhance our environmental stewardship, and being a leading partner in the communities we serve.

This year, we released our [Commitment to Environmental Sustainability](#), a statement that underscores our environmental priorities and highlights our role as a key catalyst for clean energy. This statement is an important component of our vision for how we conduct our business today and for future generations.

Of significance for this sustainability report is our emphasis on investing in our electric system to enhance reliability and meet growing customer demand, expanding our natural gas infrastructure, enhancing the customer experience by introducing a more customer-friendly bill format, providing improved outage information and enhanced voice and digital offerings, and developing the best clean energy solutions for our customers and the communities we serve.

As we work hand-in-hand with partners to be stewards of the environment, from clean energy to energy efficiency programs, to protecting the natural resources in our region, we know that perhaps the most critical opportunity for us to be a catalyst for change and opportunity is in the clean energy arena, where we can bring more clean, affordable and sustainable energy to New England. Northern Pass Transmission, our partnership with Hydro-Québec, will infuse clean, renewable power from Canada to New England. Bay State Wind, our newly announced partnership with DONG Energy, the world's largest and most successful developer of offshore wind generation, proposes the first large-scale offshore wind farm in North America. It has the potential to power one million homes. Finally, in 2017, we expect to invest as much as \$200 million in utility-scale solar development in Massachusetts.

We believe if we build upon our significant accomplishments, better define our position and strategy across all areas of clean energy, make the right investments, leverage existing community investments and continue to engage and empower our employees, we will reach our goal to be the best.

James J. Judge
Chairman, President and Chief Executive Officer



SUSTAINABILITY AT EVERSOURCE

Environmental, social and governance initiatives are integrated into the policies and principles that govern our Company and reflect our commitment to sustainable growth. We are committed to reliability, effective corporate governance, expanding energy options for our region, and environmental stewardship. Our goal is to provide transparency and clarity about our position on these topics.

Our 2017 sustainability report highlights our 2016 progress on sustainability efforts focused on issues most important to our business. Our sustainability team meets regularly throughout the year to evaluate our current performance, provide updates to external sustainability reporting agencies, and refine our sustainability strategy to reflect our environmental commitment, operational initiatives and standards.

This report is aligned with the Global Reporting Initiative (GRI) principles, and details of our materiality assessment are available [here](#). Please also see our [GRI Index](#).

Please click to view our [2014 sustainability report](#), [2015 sustainability report](#), and [2016 sustainability report](#).

Report Assurance

The Eversource Energy Internal Audit Department performed a review of the 2017 Eversource Energy Sustainability Report. Based upon our review, we found the information in the Report is fairly presented. We selected and reviewed a sample of non-financial processes and data used in the preparation of this Report. A comparison of the information was made to the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative and interviews were held with selected key management and staff responsible for the preparation of the information presented in the Report. In addition, separate from this review the Eversource Internal Audit Department performs periodic audits of departments responsible for controls over business processes that are responsible for producing data used in this report. Based on these audits, we are not aware of process or control issues that would impact the data integrity of the Eversource Sustainability Report.

OUR ENVIRONMENT

At Eversource, we are proud to be recognized as one of the greenest energy companies in the nation. Our commitment to environmental sustainability is an important component of our vision for how we conduct our business today and for future generations. As a key catalyst for clean energy, we partner with like-minded companies and stakeholders to conduct our business in a responsible and sustainable way, providing the best solutions for our customers and the communities we serve.

Eversource has released a new [Commitment to Environmental Sustainability Statement](#) that outlines our environmental priorities, including:

- **Climate Leadership** - We have developed meaningful strategies to reduce our carbon footprint.
- **Clean Energy** - As New England's largest utility and dedicated steward for the environment, we are committed to bringing more clean, affordable and sustainable energy to the region.
- **Accountability** - We hold ourselves accountable for the impact our business might have on the environment, meeting, and in many cases exceeding, all environmental laws and regulatory commitments and requirements.
- **Stewardship** - At Eversource, we value our native resources and take great care to promote conservation and manage natural and cultural resources.

Our environmental policy is available [here](#). Environmental awareness training is provided to all new employees.

CLIMATE LEADERSHIP

We have developed meaningful strategies to reduce our carbon footprint.

Carbon Strategies

The carbon intensity of the New England electrical grid is among the lowest in the country and is continuously supported by state reduction goals in Connecticut, Massachusetts and New Hampshire. Each state has its own carbon goal or action plan to reduce greenhouse gas (GHG) emissions, and we work with stakeholders in each agency to contribute to targeted reductions.

State	Targeted Reduction by 2020 (CT, MA) Targeted Reduction by 2025 (NH)	Targeted Reduction by 2050
Connecticut	10% below 1990 level	80% below 2001 level
Massachusetts	25% below 1990 level	80% below 1990 level
New Hampshire*	20% below 1990 level	80% below 1990 level

*Recommendation of the New Hampshire Climate Change Policy Taskforce

Regional Greenhouse Gas Initiative

Connecticut, New Hampshire and Massachusetts are all members of the Regional Greenhouse Gas Initiative (RGGI), a cooperative effort by northeastern and mid-Atlantic states to develop a regional program for stabilizing and reducing carbon dioxide (CO₂) emissions from fossil fuel-fired electric generating plants. RGGI uses a market based cap and trade approach that allocates carbon allowances through regional auctions. Proceeds of the auctions are invested by the states in consumer benefit programs to improve energy efficiency and accelerate the deployment of renewable energy technologies.

Greenhouse Gas Reduction Strategies

Our strategies to support our region and facilitate achievement of state GHG reduction targets focus on four broad areas:

(1) Reducing customer energy use

This includes expanding energy efficiency opportunities, appropriate deployment of smart grid and related infrastructure; and providing customers with information, management tools and pricing options to promote the use of lower carbon energy.

(2) Adding renewables to the energy mix both through generation or transmission expansion

This includes expanding renewable and low-carbon generation through direct investment as well as developing infrastructure to bring renewable and low-carbon resources to market and offering clean energy options to our electricity customers.

(3) Expanding distribution of natural gas

Expansion of natural gas distribution systems provides more residents and businesses with the opportunity to switch to clean-burning, affordable natural gas.

(4) Using electricity or natural gas for emerging end uses, such as transportation

Emerging uses for electricity and natural gas include transportation alternatives and deployment of associated infrastructure to support electric vehicle charging and natural gas vehicle fueling. Other programs include promoting conversion from fuel oil to natural gas, geothermal heat pumps and solar thermal for home heating.

Please see the [Energy Efficiency](#) and [Clean Energy](#) sections for details.

Our Footprint

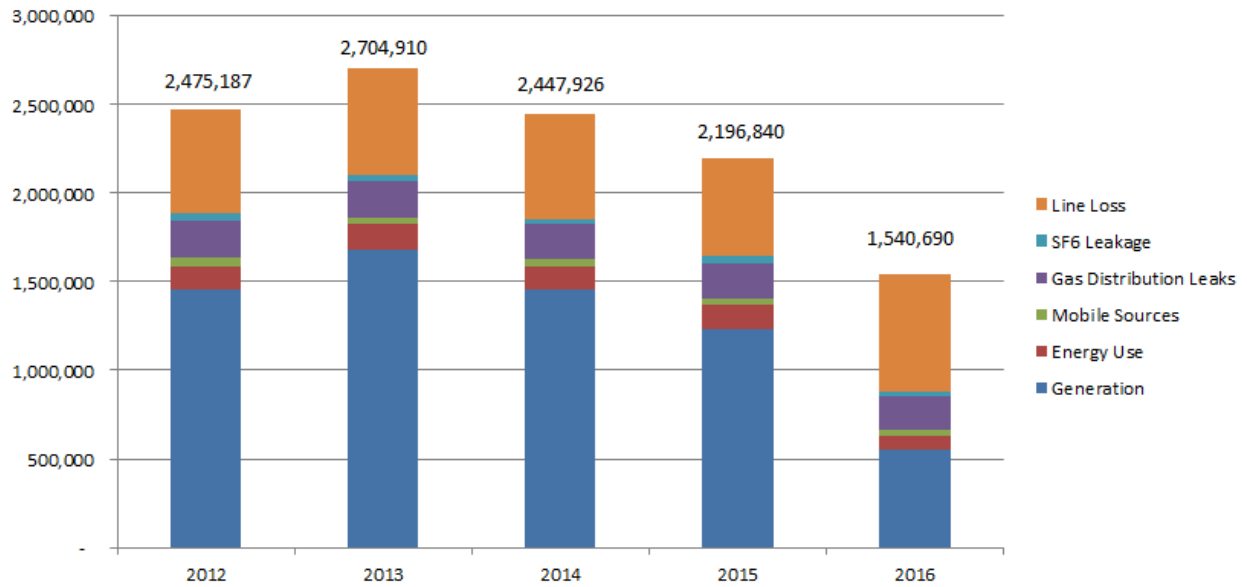
Eversource's GHG emission inventory accounts for and reports all direct carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and sulfur hexafluoride (SF₆) emissions from our businesses. The emission source categories included in our GHG inventory are stationary combustion sources; mobile combustion sources; indirect emissions from purchased electricity, transmission and distribution losses; fugitive CH₄ emissions from process equipment, including pipelines for natural gas distribution; and fugitive SF₆ emissions from electrical equipment. We report GHG emissions to the [Carbon Disclosure Project \(CDP\)](#). Our most recent filing can be found [here](#).

Detailed Emissions Summary (metric tonnes CO₂e)

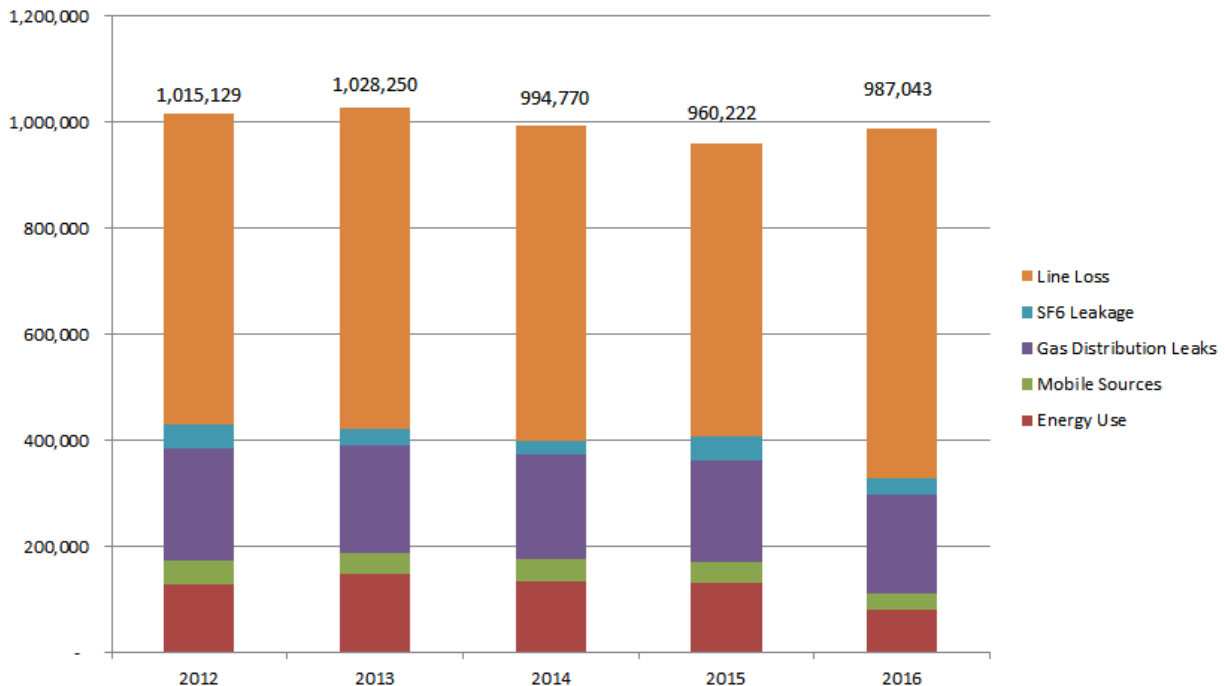
	2012	2013	2014	2015	2016
Generation	1,460,058	1,676,660	1,453,156	1,236,618	553,647
Energy Use	127,928	147,933	134,801	130,922	79,643
Mobile Sources	46,035	40,520	40,269	40,121	32,996
Gas Distribution Leaks	210,253	203,076	197,469	191,636	183,868
SF6 Leakage	47,029	30,700	27,916	44,768	31,092
Line Loss	583,884	606,021	594,315	552,775	659,444
Total With Generation	2,475,187	2,704,910	2,447,926	2,196,840	1,540,690
Total without Generation	1,015,129	1,028,250	994,770	960,222	987,043


GHG Emissions Trends:

GHG emissions including generation (metric tonnes CO₂e):



Overall emissions for Eversource declined in 2016 primarily due to reduced operation of our generation facilities. A combination of market forces, fuel supply, and customer demand influenced our generation output and resulting emissions. The very mild winters of 2015-2016 and 2016-2017 featured above-average temperatures, with the warmest winter on record resulting in very low seasonal demand and adequate fuel supply for the natural gas generators. With adequate natural gas, the demand for energy produced from coal also decreased. Emissions from our generation have steadily decreased since 2010, with a slight increase in 2013 that was primarily due to a combination of a cold winter and the increase in natural gas prices due to constraints in the natural gas delivery system. Demand and production at Eversource were down nearly 50 percent in 2016. GHG emissions excluding generation (metric tonnes CO₂e):





Line loss is the difference between the power we obtain from the grid and what is sold to our customers and is attributable to a variety of sources, including equipment operations, theft, unpaid bills, and electricity used internally. Line loss continues to be reduced by system improvements, infrastructure hardening and equipment replacement programs. In 2016, transmission and distribution losses equal 3.9 percent of total energy. Our historical data is available in our FERC Form 1 filings.

Thanks to our proactive steel and cast iron main replacement program and robust leak mitigation plans, fugitive emissions from the Eversource gas distribution system have steadily decreased over time and are anticipated to continue to decrease. Emissions from mobile sources include fleet vehicles and line trucks, as well as employee business travel in cars and planes. Mobile emissions have remained steady over time. Consolidation of facilities and more efficient use of space decreased energy use and associated emissions. Increased use of Leadership in Energy and Environmental Design (LEED) inspired renovations at existing facilities will further decrease energy needs.

Reducing Our Carbon Footprint

Eversource continues to be an industry leader in SF₆ emissions reductions; our SF₆ emission rate is estimated to be less than one percent (almost 50 percent below the industry average of 1.9 percent) due to effective operational controls, including the careful management, handling and recordkeeping of SF₆ and SF₆ containing equipment. This allows us to focus on potential areas of SF₆ loss to further reduce emissions risks.

Eversource's Distribution Integrity Management Programs mitigate potential risks, identify and prioritize operational and infrastructure enhancements, and improve service for our customers. Replacement of aging bare steel and cast iron gas infrastructure is an example of a top priority to minimize the potential for gas leaks, and the release of greenhouse gases into the atmosphere. Since 2011, Eversource has replaced 192 miles of gas main resulting in reductions of 335 metric tonnes of methane annually (8375mt CO₂e).

Natural Gas STAR Methane Challenge Program

In March 2016, Eversource, along with almost 40 American Gas Association members, became a founding member of the U.S. Environmental Protection Agency's Natural Gas STAR [Methane Challenge Program](#), whereby natural gas utilities are working to reduce greenhouse gas emissions. The companies, which represent 66 percent of the natural gas customers served in the United States, are making and tracking commitments to reduce emissions and showcase their efforts to improve air quality.

Eversource has committed to replacing unprotected steel and cast iron mains with protected steel or plastic piping at a rate of at least three percent annually through 2021. Total annual methane emissions would be reduced by at least 35,000 mt CO₂e by 2021 - equal to taking nearly 7,400 passenger vehicles off the road for one year.

Operations Optimization

Materials Management

We manage our field and office operations with a commitment to environmental stewardship, including our material logistics activities, which span the storage, tracking and movement of inventory throughout three states. Inventory is managed at storeroom facilities strategically located throughout our service territory to ensure the timely delivery of inventory necessary to meet our commitment to customers.

Reel-Less Cable Pilot

Starting in 2016, we piloted a reel-less cable as a solution to eliminate wood reels by using a reusable spindle. New Hampshire purchased five spools for the pilot to investigate the feasibility of this environmentally preferable option in our operations. Initial results of the pilot were positive, so in 2017 we are expanding the pilot and have ordered an additional 40 reels to use for all underground cable in New Hampshire.

Part Standardization

Our part standardization effort is in progress and will continue through 2017, with a focus on standardizing our inventory for certain commodities. This initiative optimizes our inventory across the businesses to expedite regular business and storm restoration activities.

An electric distribution part standardization effort has been in progress since early 2014 and continues through 2017, with the continued focus on reducing catalog IDs where it makes sense, and consolidating material that can be utilized across multiple operating companies, which ultimately reduces Eversource on hand inventory. Additional benefits of this standardization include:

- 19 equipment commodities have been successfully consolidated with positive results
- Effective phase in – phase out process used for catalog IDs no longer required or consolidated, resulting in the following benefits:
 - \$1.5M sustained inventory reduction across the Eversource Distribution Electric Business
 - Reduction of 500+ cat IDs, improving inventory management and operational efficiency

Facilities

Eversource has many facilities throughout our territory to ensure that we are strategically located to best serve our customers. As our operations have been consolidated for maximum efficiency, many underutilized facilities have been sold and/or leased to other entities.


As buildings and spaces are renovated, we seek opportunities to reduce our energy use through energy efficient lighting and equipment, control system upgrades and optimum use of space.

Facilities goals set in 2017 include:

- Complete cost/benefit analysis for retro-commissioning project at three major Eversource facilities in 2017 to identify potential energy use reduction goals
 - Project Details: Assess lighting controls, HVAC and other systems to maximize building efficiency
 - Potential Benefits: Maximize building efficiency, decreased energy use resulting in lower CO₂e emissions, lower O&M costs
- Transition 25 percent of our facility square footage to LED or energy-efficient lighting by 2020
 - Project Details: Goal would accelerate our transition to LED or other energy-efficient lighting by committing to replace existing lighting in more than one million square feet of facilities by 2020
 - Potential Benefits: Long-term cost savings; reduced maintenance through longer life cycle, decreased cooling load as LED generates less heat

Examples of past projects include:

- In 2015, we completed a retro-commissioning project (upgrading equipment and control systems) at five of our facilities in Berlin, Connecticut to improve our energy consumption and operating performance, resulting in 865,689 annual kWh savings or 730 metric tons CO₂e reduction. Project details are available [here](#).
- Extensive renovations to our Hartford, Connecticut, Area Work Center were completed in 2012, creating a model in energy efficiency and environmental design, and exceeding the LEED silver certification standards. The building features a daylight harvesting system, chilled beam HVAC technology and an energy management control system, which reduces overall energy consumption by 60 percent, and 20 percent of the entire building's materials are made of recycled content.
- In 2011, we installed a green roof with a 10.92-kW solar array on the roof of our Community Building in Berlin, Connecticut. The solar array consists of 60 panels that produce 182 watts each, which are connected to monitor to show daily energy production. This project is designed to demonstrate these technologies and evaluate their environmental benefits. This solar array works in conjunction with a reflective roof membrane, or "cool roof", to further enhance the energy output of the panels. In addition, the roof also includes a section of vegetative roof,



which acts to absorb and filter rain water as well as provide additional insulating qualities to the existing roof structure.

- In 2009, we installed a 51-kilowatt solar photovoltaic system on the roof of our Energy Park headquarters building in Manchester, New Hampshire. This array produces enough power to satisfy about five percent of the facility's energy needs, or the same amount of energy used by about seven average New Hampshire homes, and offsets more than 100,000 pounds of CO₂ emissions annually.
- In May 2008, our corporate office building in Westwood received the coveted LEED Gold Certification. The U.S. Green Building Council awards this certification to companies nationwide that meet criteria to rank among the world's greenest, most energy efficient and high performing buildings.

Fleet

Eversource is committed to reducing emissions coming from the transportation sector by evaluating and implementing strategic changes to our fleet. Our fleet consists of approximately 5,200 vehicles, including light duty trucks for meter readers and bucket trucks for line workers. We have switched portions of our diesel equipment to operate on B5 and B20 biodiesel, an alternative fuel created by mixing diesel fuel and soybean oil and ethanol. In 2016, we burned more than 720,000 gallons of biodiesel fuel, displacing approximately 145,000 gallons of diesel fuel with a 1,477 metric tonne reduction in greenhouse gas emissions.

Eversource also has 13 bucket trucks that use a passive hybrid system to run the hydraulics operating the booms on the bucket trucks, eliminating the need to idle the engine to run the equipment, resulting in reduced emissions and quieter operation. We have also installed global position systems (GPS) in all of our fleet vehicles, which is reducing fuel consumption by optimizing the dispatch of vehicles already deployed in the field and by helping drivers to find the most direct route to the customer location or job site.

We are further reducing our carbon footprint by installing 35 electric vehicle (EV) charging stations at our facilities and operating plug-in hybrid electric vehicles. In 2014, along with other utility members of the Edison Electric Institute, we pledged to commit five percent of our annual fleet spend on plug-in electric technologies beginning in our 2015 budget cycle.

We have 87 compressed natural gas (CNG) powered vehicles across our service territory that in 2016 consumed 49,820 gallon equivalent of natural gas, thus avoiding 93 metric tonnes of CO₂e emissions. In 2016, Eversource constructed 5 time-fill CNG refueling facilities in Connecticut (two) and Massachusetts (three), which will service eight CNG vehicles at each location – 40 vehicles in total. As of 2017 there are seven total Natural Gas Vehicle refueling compressor stations owned by Eversource and are reserved for private use by corporate fleet.

Since 2009, our Eco-Miles program has tracked employee mileage savings through a variety of commuting options to capture driven miles avoided through carpooling, public transportation, telecommuting, or other mileage-savings options. Eversource employees have collectively logged almost 3.3 million Eco-Miles since the program started, the equivalent of saving 152,739 gallons of gasoline and 1,343 metric tonnes of CO₂e.

Fleet Goal: Replace 45 percent of fleet diesel use system-wide with biofuel in 2017

- Project Details: Anticipate replacing one million gallons of diesel with biofuel in 2017
- Potential 2017 Benefits: Environmental benefit – estimated 1,430 mt CO₂e avoided (equal to taking 203 passenger vehicles off the road for one year) and onsite fueling process efficiencies resulting in overall cost savings.

Energy Efficiency Programs

Eversource is consistently recognized as a leader in energy efficiency by national industry organizations. We take great pride in helping our states and communities remain vibrant and successful by administering programs that are emulated by others across the country. The Eversource energy efficiency portfolio reflects and responds to the way our customers live and use energy today, and takes a multi-year approach that enables us to plan for the future.

In 2016, [Ceres](#) ranked Eversource number one in energy efficiency among investor-owned utilities, and the American Council for an Energy-Efficient Economy (ACEEE) 2017 Utility Energy Efficiency Scorecard ranked Eversource in Massachusetts first and Eversource in Connecticut fourth among the 51 largest U.S. electric utilities.

Energy efficiency is one of the most cost-effective ways to collectively save money, create jobs, reduce greenhouse gas emissions, enhance energy security, and reduce the need for additional generation plant construction. The savings in effect produces “negawatts,” reducing overall energy use. In terms of energy use, peak demand describes a period of simultaneous, strong consumer demand. Therefore, reducing the peak demand curtails the need for power plants. The energy savings achieved by the energy programs is the equivalent of building a virtual power plant of more than 700 MW.

In addition, in 2016 the energy efficiency programs administered by Eversource resulted in an estimated \$197.7 million savings for our customers. Last year alone:

Eversource Electric Customers:

2016 Annual Savings: More than one billion kilowatt hours (kWh) saved could provide power for all 3.2 million Eversource electric customers for eight days.

Lifetime Savings of Installed Measures: More than 11.8 billion (kWh), which could power all 3.2 million Eversource electric customers for 80 days.

Lifetime CO₂ Reductions: Nearly 5 million tons reduced, which is equivalent to 1.3 million cars driven for one year.

Eversource Natural Gas Customers:

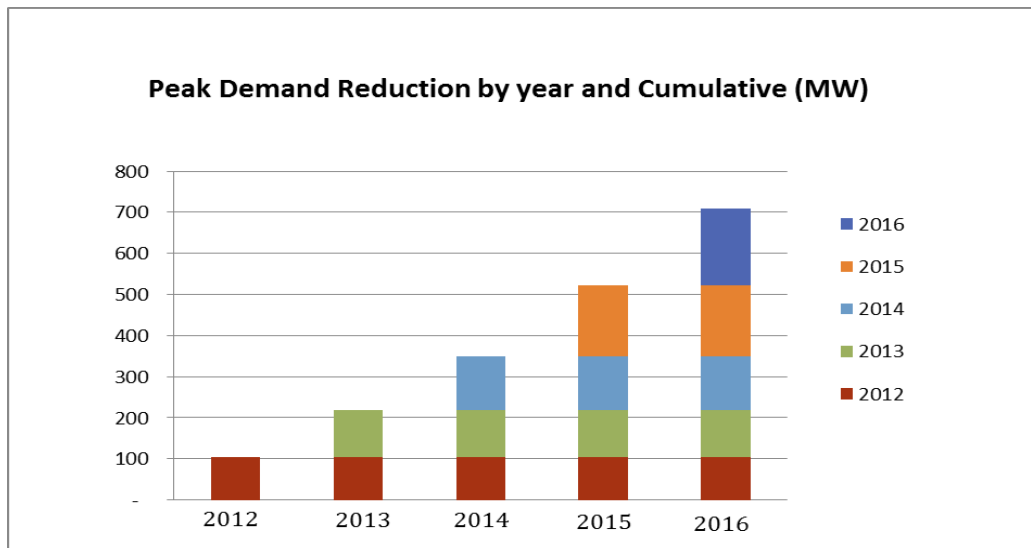
2016 Annual Savings: More than 9.6 million therms (1 therm equals 100,000 British Thermal Units) saved could provide energy for 519,000 Eversource natural gas customers for three days.

Lifetime Savings of Installed Measures: More than 122.7 million lifetime therms saved, which could provide energy for 519,000 Eversource natural gas customers for 44 days.

Lifetime CO₂ Reductions: Three quarters of a million tons reduced, which is equivalent to nearly 175,000 cars driven for one year.

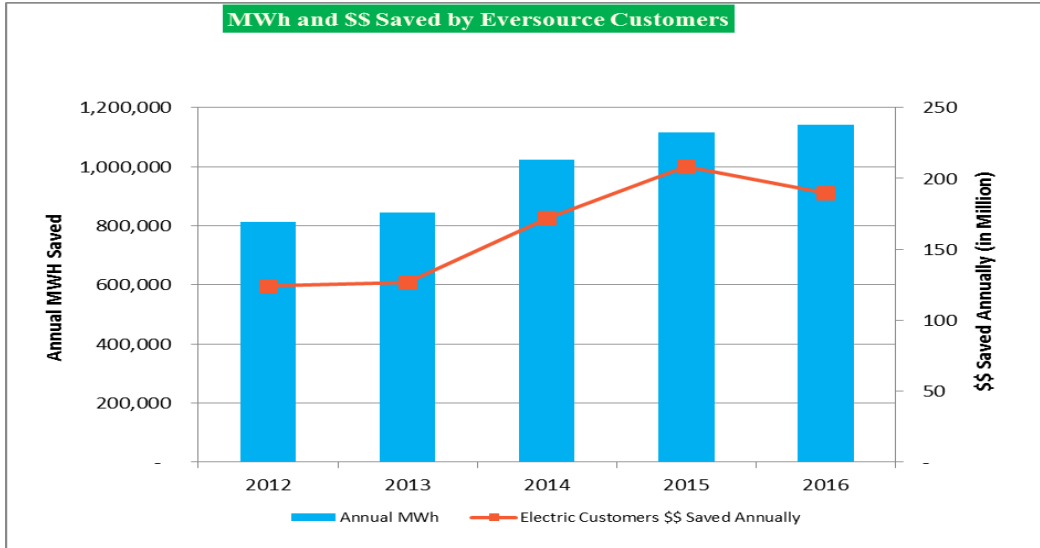
Energy efficiency offerings from 2012 through 2016 resulted in cumulative peak demand MW reductions and annual MWh savings as shown in the following graphs:

Figure 1: Cumulative Peak Demand



By installing energy efficiency measures, Eversource customers reduced peak demand by more than 700 MW cumulatively since 2012

Figure 2: Annual MWh and Monetary Savings by Eversource Customers



By installing energy efficiency measures, Eversource customers reduced MWh consumption and cumulatively saved more than \$820 million in five years

Eversource Energy Efficiency Electric Data

	2016
*Customers Participated	2,597,504
Spend (US\$)	\$415,575,696
Annual kWh Saved	1,141,801,634
Lifetime kWh Saved	11,813,245,632
Summer Peak Annual kW Saved	185,575
Winter Peak Annual kW Saved	176,776
**Annual CO₂ reduced in Ton	450,649
**Lifetime CO₂ reduced in Ton	4,964,856
Customer \$\$ Saved Annually	\$189,623,209
Customer \$\$ Saved Lifetime	\$1,974,725,141

*Includes customers who purchased energy efficient light bulbs

**CO₂ reductions include fossil fuel savings

Eversource- Energy Efficiency Natural Gas Data

	2016
Customers Participated	129,658
Spend (US\$)	\$58,503,718
Annual Therms Saved	9,552,587
Lifetime Therm Saved	122,782,996
Annual CO₂ reduced in Ton	60,477
Lifetime CO₂ reduced in Ton	774,356
Customer \$\$ Saved Annually	\$8,054,362
Customer \$\$ Saved Lifetime	\$107,394,450

Eversource helps to shape new, forward-looking energy efficiency policies, legislation and regulations in each of the states in which we operate. Because programs vary by state, we invite you to visit our Save Money and Energy pages at Eversource.com for Connecticut, eastern Massachusetts, western Massachusetts, and New Hampshire program details. We are proud to partner with our regulators and stakeholders to offer statewide energy efficiency initiatives, which are marketed under the brands Energize Connecticut, Mass Save and NH Saves.

In 2016, Eversource fully launched and began promoting an online tool empowering customers to make smart energy decisions and improvements in Connecticut and Massachusetts. The [Energy Savings Plan](#) is an interactive tool located on Eversource.com that enables residential and business customers to examine how they are currently using energy, how they compare to other customers and how they can reduce their energy consumption costs. More than 83,000 customers have used the tool.


Energy Efficiency in Our Communities

Through key partnerships and our memberships in the New England Clean Energy Council, Massachusetts Energy Efficiency Advisory Council, Connecticut Energy Efficiency Board and the New Hampshire Energy Efficiency and Sustainable Energy Board, Eversource works closely with community leaders, residents, schools and businesses to reduce energy consumption, increase the use of renewable resources, and encourage participation in smart energy programs. We engage with the communities we serve in numerous ways, including offering educational training workshops and informational booths at large events.

Eversource works with businesses small and large to identify smart energy improvements, lower operational costs, and enable greater business competitiveness. We retain teams of highly skilled technical staff to help customers identify energy saving opportunities, and offer attractive financial incentives to help facilitate implementation.

Eversource account executives and consultants are available to business customers to advise and assist with efficiency opportunities. Customers benefit not only from cost reductions; these efforts also often result in enhancements to their business environment and productivity. We establish long-term agreements with high energy users to implement broad energy efficiency measures across their business over a number of years.

In 2016, more than 400 business customers across all three states registered to attend a webinar hosted by Eversource, called "HVAC: Equipment Overview and Opportunities." This webinar was the fourth in a series of webinars dedicated to the topic of energy efficiency, and discussed new technologies and the significant savings associated with high-efficiency heating and cooling equipment.



Following are samples of some of recent energy efficiency projects:

New Hampshire

Eversource and the three other New Hampshire utilities are partnering with the state Office of Energy and Planning as well as the Department of Environmental Services (NHDES) in support of a \$300,000 outreach and educational grant to help improve energy efficiency for New Hampshire's wastewater treatment plants. The utilities are providing \$60,000 toward the project in the form of staff hours, technical support and energy audits, and support for energy efficiency workshops.

In May 2017, New Hampshire's Energy Efficiency team has joined their peers in Massachusetts in being honored by the Environmental Protection Agency (EPA) as an Energy Star Partner of the Year. Eversource partners Chinburg Properties of Newmarket and GDS Associates of Manchester were both honored with awards from EPA for energy efficiency for the second year in a row. The EPA also recognized Eversource and the other New Hampshire utilities with an Energy Star Partner of the Year Sustained Excellence award for leading efforts to protect the environment by supporting measures that help homeowners reduce their energy use.

Connecticut

In April 2016, Farmington-based United Technologies Corp. (UTC) signed an agreement with Eversource to help it reach aggressive energy-efficiency goals over the next three years. UTC aims to reduce its energy use by 15 percent across its Connecticut facilities. That would amount to approximately 54 million kWh of power, which could power 6,000 average-sized homes for one year. Some of the initial strategies at UTC's Windsor Locks facility include LED lighting, heat-reflecting roofing, tinted windows and HVAC upgrades. UTC said it has reduced its greenhouse gas emissions by more than one-third since 1997.

The Shop Rite supermarket in Danbury recently completed an energy-saving upgrade that would save the business an estimated \$209,000 annually in energy costs. Energy upgrades included LED lighting, LED refrigeration lighting, evaporator fan motor replacement, door heater controls and a new energy management system. The store is expected to save 1,384 million kWh annually—the equivalent of removing 147 cars off the road for a year.

Massachusetts

In May 2017, thanks to assistance and guidance from Eversource, Boston was named the number one city in the U.S. for energy efficiency for the third consecutive time, according to the American Council for an Energy-Efficient Economy (ACEEE). The ACEEE releases a City Energy Efficiency scorecard every two years. Eversource was cited for providing comprehensive programs for low-income and multi-family households in Boston and for working with Renew Boston to promote energy efficiency in the city. Eversource partnered with the city on a comprehensive building infrastructure and energy efficiency upgrade program, providing technical expertise and helping the city secure Mass Save incentives to offset the cost of the upgrades. In 2016, Eversource and the city completed energy efficiency projects at the Central Library's Johnson Building and at the city-owned 26 Court Street building to save \$22,000 a year in energy costs.

Industry Engagement

Eversource continues to work closely with the energy efficiency industry by collaborating with market-leading organizations to advance energy efficiency policy, program expansion, and recognition throughout the industry. Eversource works with the American Society of Heating, Refrigeration & Air Conditioning Engineers, Association of Energy Engineers, American Institute of Architects, CT Green Building Council and the design community to maximize the opportunity to grow the knowledge of the energy efficiency community.

2017 Energy Efficiency Plans

Eversource has set aggressive goals for 2017 that support our customers' current and longer-term needs and reflect energy efficiency and environmental regulations and goals of the states in which Eversource operates.

Energy Efficiency Data	Eversource CT Electric 2017 Goals	Eversource MA Electric 2017 Goals	Eversource NH 2017 Goals	Eversource Western MA 2017 Goals	Eversource MA Gas 2017 Goals	Eversource CT Gas 2017 Goals
Spend (US\$)	\$151,476,697	\$233,733,169	\$20,296,000	\$55,635,191	\$48,183,409	\$18,614,980
Annual kWh Savings	305,708,643	547,522,000	49,938,400	58,004,000	-	-
Summer Peak KW Savings	42,543	71,236	5,811	14,060	-	-
Winter Peak KW Savings	55,927	74,359-	5,706	15,840	-	-
Annual ccf/therm Savings (1)	-	-	-	-	6,523,319	2,715,599

(1) Massachusetts Annual Savings are reported in therms and Connecticut Annual Savings are reported in ccf consistent with each state's regulatory reporting requirements.

DISCLAIMER: Please note that the above table is for planning purposes only.

Energy efficiency plans filed with regulatory bodies in the Eversource service territory are available at the following links:

- [Connecticut 2016-2018 Plan](#)
- [Connecticut 2017 Plan Update of 2017-2018 Plan](#)
- [Massachusetts 2016-2018 Plan](#)
- [Massachusetts Annual Reports](#)
- [New Hampshire 2016 Plan update](#)
- [2017 New Hampshire Statewide Energy Efficiency Plan](#)

View previous year's [energy efficiency information](#).

CLEAN ENERGY

As New England's largest utility and dedicated stewards for the environment, Eversource is committed to bringing more clean, affordable and sustainable energy to the region.

Eversource has established itself as a regional and national leader delivering innovative, forward-looking energy solutions, and assisting Connecticut, Massachusetts, and New Hampshire in meeting their environmental and clean energy goals, while also improving reliability and energy affordability.

Renewable Portfolio Standards

Eversource is committed to help the states that we operate in meet Renewable Portfolio Standards (RPS), which require a certain percentage of the states' electricity supply to come from renewable sources.

Renewable Portfolio Standards In Place

	2016	2020	2025
CT	21%	27%	27%
*MA	21.03%	23.5%	29.75%
NH	9%	20.3%	24.8%

*MA 2020 and 2025 targets do not include Class II renewables because the percentage has not yet been released by the MA Department of Energy Resources

Addressing the Region's Energy Challenges

As a key catalyst for clean energy, Eversource partners with like-minded companies and stakeholders to conduct our business in a responsible and sustainable way, providing the best solutions for our customers and the communities we serve. Northern Pass will provide New England customers with significant relief by importing clean hydropower and creating long-term cost savings for customers. This project will both provide significant economic and environmental benefits to New England, lowering our dependence on older, higher emitting oil and coal-fired generation. We are also working on a project to bring incremental natural gas supplies into the region. In addition to these projects, we are investing in utility-scale solar power in Massachusetts and participation in a major offshore wind development, Bay State Wind.

Northern Pass

Eversource has proposed a unique and innovative project, [Northern Pass](#), a high-voltage, primarily direct-current transmission line that will bring 1,090 megawatts (MW) of low-carbon, primarily hydroelectric power from Canada to New England's energy load centers. At a time when public officials and energy experts are expressing concern about the future reliability of our energy supply, the addition of 1,090 MW of clean, reliable, competitively priced hydropower from Northern Pass will benefit everyone in the state of New Hampshire and the New England region, saving New England customers more than \$600 million per year. Moreover, Northern Pass alone is expected to lower carbon emissions in New England by approximately 3.2 million metric tons annually—that's the equivalent of taking about 670,000 cars off the road. As a part of the Northern Pass Project, the Forward NH Plan, introduced in 2015, will deliver more than \$3 billion in economic benefits to New Hampshire, while also meeting regional energy needs by providing a significant source of clean, affordable hydropower to New England. The Forward NH Plan represents significant revisions to Northern Pass and balances concerns of visual impact with benefits to customers. Key elements of the Forward NH Plan include:

- Sixty miles of underground installation that eliminates the potential for visual impact in the White Mountain National Forest, Appalachian Trail, and the Franconia Notch area.
- An estimated \$62 million in energy savings annually for New Hampshire customers, plus additional savings for Eversource New Hampshire customers from a power purchase agreement.
- A \$200 million Forward NH Fund, which dedicates funds toward initiatives in community investment, tourism, economic development, and clean energy innovations.


In 2015, Northern Pass commenced the state regulatory review process, received a favorable draft environmental impact statement from the U.S. Department of Energy, and released its new Forward NH Plan that underscores the billions of dollars of project benefits to the state of New Hampshire. Northern Pass is on track with key approvals from the NH Department of Environmental Services, Department of Transportation and Public Utilities Commission. The final stage of the state permitting process began in 2017 with the commencement of final adjudicative hearings.

Bay State Wind

In December 2016, Eversource announced a partnership to make large-scale offshore wind a reality in the United States. Eversource has teamed up with Denmark-based DONG Energy on a joint venture to develop Bay State Wind, a proposed offshore wind farm that will be located off the coast of Martha's Vineyard, in an area that has the potential to develop at least 2,000 MW—enough electricity to power one million homes.

Eversource and DONG Energy will seek to jointly develop, construct and operate this utility-scale offshore wind project in a 50-50 partnership. DONG Energy is the global leader in offshore wind, and will use its market leading expertise in the sector to lead the development and construction of the project's offshore generation and transmission assets. As the premier transmission builder in New England, Eversource will leverage its strong transmission expertise to develop and construct the onshore transmission system.

In April of 2015, DONG Energy secured newly assigned project development rights to a 300 square mile ocean area 15-25 miles south of the coast of Martha's Vineyard that was made available for lease by the U.S. Bureau of Ocean Energy Management in a competitive solicitation. In August 2016, Massachusetts formally adopted a comprehensive energy bill that includes a first-of-its-kind mandate that state utilities purchase 1,600 MW of offshore wind power by 2027. The first



state-led procurement process began in June 2017. This represents a landmark moment for the offshore wind industry in the United States.

DONG Energy and Eversource are committed to playing a central role in bringing their companies' respective expertise and successes to bear in order to help the state meet this goal. The companies expect that first power can be delivered in the early 2020s.

Other State Clean Energy Initiatives

Connecticut Natural Gas Distribution Expansion

Connecticut's first-ever Comprehensive Energy Strategy (CES) includes recommendations in the areas of energy efficiency; industrial energy needs; and electricity supply, including renewable power, natural gas, and transportation. Within the CES, Connecticut's leaders endorsed natural gas as the "fuel of choice" for the state. The plan recognizes the emerging opportunity provided by shale gas for a lower-cost, cleaner, and domestically available fuel choice that offers residents and businesses an option to significantly reduce their heating bills.

Eversource growth goals include bringing the choice of natural gas to more than 82,000 customers within its franchise areas in Connecticut. In addition, the plan will help reduce emissions by 820,000 tons, for a seven percent reduction of total emissions in Connecticut.

In 2016, we added 10,770 new natural gas heating customers system-wide with 5,095 customers in Connecticut. The Company also added approximately 22.5 miles of pipe in 2016.

Connecticut Renewable Power

State-specific agreements facilitate development of clean and renewable projects. In Connecticut, there are several long-term contract opportunities, including the low emission/zero emission renewable credit program (LREC/ZREC), which to date has resulted in more than 1,500 behind-the-meter renewable energy projects. These 15-year REC contracts will add 230 MW of new renewables in the state.

Massachusetts Solar Power

Eversource has constructed large-scale [solar generation in Massachusetts](#), which directly contributes to Massachusetts' goal to install 1,600 MW of solar energy by 2020. Our solar program focuses on developing large-scale solar facilities on sites that offer economies of scale and cost-effective energy production. Eversource currently has 8 MW and plans to construct up to 62 MW of additional solar capacity in Massachusetts, which is estimated to save nearly 32,000 metric tonnes of carbon per year. Two of the sites under development by the Eversource Solar Program are landfill and environmentally challenged sites, which have few, or very restricted, alternative uses.

New Hampshire Generation

Eversource owns and operates nine hydroelectric power plants throughout New Hampshire. These energy resources are one hundred percent renewable, and combine to produce a total of 70.6 MW of electricity. Pursuant to New Hampshire regulatory settlement, these hydroelectric facilities and Eversource fossil generation facilities in New Hampshire are to be divested.

In New Hampshire, the [Clean Air Project](#) at Merrimack Generating Station is complete. The power plant is now one of the nation's cleanest coal-burning energy facilities. The plant utilizes wet flue gas desulfurization technology, which dramatically reduces mercury and sulfur dioxide emissions from Merrimack's two units.

The Northern Wood Power Project (NWPP) replaced a 50-megawatt coal-burning boiler at Schiller Station in Portsmouth, New Hampshire, with an environmentally friendly system that uses wood chips and other clean, low-grade wood materials for fuel, displacing more than one million tons of coal and effectively reducing their air emissions by about 500,000 tons annually.

Electric Vehicles

Nearly half of New England's carbon emissions come from the transportation sector. With a goal of reducing the region's carbon footprint, we are creating alternative fuel vehicle opportunities for our customers, and are working to reduce emissions in our fleet as well, as highlighted in [Our Footprint](#).

Customers are increasingly considering electric vehicles (EVs) as a viable transportation alternative, offering a clean, lower-cost fuel option. We invest in research and programs to help make this technology an option for our customers' use and offer multiple sources of information for our customers. We are also actively engaged with policy leaders, automakers, neighboring utilities and technical experts to prepare our infrastructure to support EVs.

Electric Vehicle Outreach

Since 2012, we have partnered with volunteer municipalities and businesses on research to understand charging station installation requirements, EV driver charging habits and potential future electric system requirements. We are using this research to address identified challenges and develop mitigation strategies to better serve our customers.

We offer an electric vehicle information center hotline with a team of specialists dedicated to providing customers with helpful information about EVs and supporting technology, as well as a resource website, [Plug My Ride](#), with fast access to EV information and resources.

Eversource Electric Vehicle Commitments

All of the states that we serve are pursuing comprehensive plans that include the advancement of electric vehicles. Connecticut and Massachusetts are two of eight states that signed the [State Zero-Emission Vehicle Program Memorandum of Understanding](#) in 2013, with a collective target of having 3.3 million zero-emission vehicles on the road by 2025, along with the supporting infrastructure.

In Connecticut, we are working with the Department of Energy and Environmental Protection (DEEP) on programs to support EV adoption and development of EV charging infrastructure. Details on these programs can be found at [EV Connecticut](#). Eversource funding for DEEP programs has included:

- EV rebates for about 1,500 vehicles through the CHEAPR program;
- The installation of publicly accessible DC Fast Chargers; and
- Grants for EV charging stations to increase the number of publicly available charging stations

In Massachusetts, Eversource serves as a commissioner on the Commonwealth's [Zero Emission Vehicle Commission](#), which serves to study the economic and environmental benefits and costs of increased use of zero emission vehicles. We are working with the Department of Energy Resources on programs to advance the EV market through a combination of studies, outreach and education, and the rate pilot program, PlugMyRide@HOME, which is designed to encourage off-peak charging. In 2015, we completed a report titled "Accommodating Garage Orphans in Boston, Cambridge and Somerville" that investigates the EV charging infrastructure strategies for urban EV drivers.

Eversource is committed to explore solutions that support EV owners in our service territory, while ensuring system reliability for all of our customers. In 2014, along with the Electric Power Research Institute, 15 utilities and eight automakers, we supported the development and demonstration of an open Vehicle-Grid Integration Platform software system that integrates plug-in EVs with smart grid technologies, allowing customers the option to charge off-peak.

In 2016, in collaboration with the U.S. government, Eversource and nearly 50 industry members agreed to accelerate the deployment of electric vehicle charging infrastructure and increase the number of electric vehicles on the road today. Part of the announcement includes the Energy Department unlocking up to \$4.5 billion in loan guarantees to support innovative electric vehicle (EV) charging facilities.

Looking internally, Eversource has also launched partnerships with auto manufacturers to enable employees to receive discounts on the purchase of EVs in 2016 and 2017.

ACCOUNTABILITY

Eversource holds itself accountable for the impact our business might have on the environment, meeting, and in many cases exceeding, all environmental laws and regulatory commitments and requirements.

Water Resources

Eversource develops and implements innovative and responsible solutions to assure the protection of water resources necessary to our operations and our communities' well-being.

Our New Hampshire fossil and biomass power generation facilities use municipal water, groundwater and river water for steam production and cooling. Circulating water used for cooling water in our generation plants (as shown in the table below) is returned to the source water body and is not consumed. Additional details on our generation water use are available at the [New Hampshire Department of Environmental Services website](#).

Estimated Water Use (Thousands of Gallons)	2012	2013	2014	2015	2016
Fossil Generation Cooling Water					
River Water	32,093,000	38,559,000	36,005,330	24,060,910	15,181,480
Saltwater (brackish)	33,866,000	33,731,140	38,328,960	35,390,600	27,411,800
Ground Water	58,096	50,171	67,000	73,532	53,874
Municipal Water	42,629	49,372	55,550	52,032	49,192
Facilities Municipal Water Use	30,000	34,990	29,037	26,905	26,401

The World Resources Institute (WRI) uses global indicators and categories of risk (quantity, quality and regulatory/reputational) to determine an overall water risk score by industry. Eversource conducts an annual review of the [WRI Water Risk Atlas](#) (Aqueduct Atlas). While drought is not a significant risk in New England, flooding and physical risks to water quality have been identified by WRI as high risks in our service territory. Where flooding is a concern, we employ industry best practices to ensure system resiliency, such as installation of flood walls at facilities with critical infrastructure.

Protection of water quality is also of primary concern to Eversource, and our first effort in any project is to avoid impact to waterways. Projects that intersect water resources are permitted when required. Best management practices are employed to mitigate potential impacts to water quality.

Waste Management and Pollution Prevention

Eversource is working to manage and reduce its waste streams through a number of initiatives. Preventing waste is our first choice.

Investment Recovery

Our Investment Recovery program is committed to disposing of our unused assets in an economical and environmentally responsible manner. Our goal is to reuse, return, recondition, resell, reclaim, or recycle our surplus assets to avoid landfills or other potentially wasteful disposal options. In 2016, we kept more than 10,000 tons of metal, wood, equipment and other materials out of the waste stream through this pollution prevention program, thus reducing our waste by more than 17 percent.

Recycling

Eversource recently launched a reinvigorated recycling program, expanding single-stream collection and providing robust communication to employees on the importance of recycling. In 2016, we piloted a program for field crews, by engaging

with them to find solutions that improve recycling rates and increase efficiency by sorting recyclables throughout their workday.

Demonstration Pilots

Additionally, from 2013 to 2017 we conducted a solid waste demonstration project in Connecticut to recycle porcelain insulators that have been removed from our system. The project successfully confirmed that porcelain insulators are an acceptable form of aggregate and concrete mixes with no relevant findings or issues. As of the end of 2016, our practices diverted nearly two thousand tons of material from landfills.

Waste Streams

Our largest waste streams include water and solids removed from manholes that contain electrical equipment, spill debris, fly ash and bottom ash.

Estimated weight of waste by type and disposal method (Tons) – 2016					
	Recycled	Energy Recovery/ Incineration	Landfill	Other	Total
Municipal	2,753	3,787	3,733		10,273
Universal	35	1			36
Non-Hazardous	14,043	531	6,719	12,448	33,741
TSCA (PCB)	76	97	677		850
RCRA (Hazardous)	117	44	870	1,309	2,340
Total	17,024	4,460	11,999	13,757	47,240

View previous years' [waste management information](#).

Environmental Compliance

We are committed to conducting our operations in accordance with all applicable environmental laws and regulations, and maintain operational controls, policies, and procedures to meet, and often go beyond compliance requirements. If an issue is identified, root cause investigations are expeditiously conducted to prevent recurrence.

U.S. Dollars	2012	2013	2014	2015	2016
Citations	4	2	4	8	4
Penalties	\$2,590	\$7,251	\$0	\$15,000	\$47,000

Corrective actions implemented in 2016 include reinforcing expectations with employees and contractors on adhering to procedures related to all areas of compliance. Environmental compliance risks and controls continue to be thoroughly evaluated and improved in all areas of business.

STEWARDSHIP

Eversource is committed to Environmental Stewardship. We value our native resources and take great care to promote conservation and manage natural and cultural resources.

Biodiversity

Our construction and maintenance work is planned and executed with utmost care to prevent, whenever possible, and minimize impacts to wetlands, threatened and endangered species and cultural resources. We manage our lands to preserve – and in many cases to create – wildlife habitats. Our rights-of-way maintenance practices promote critical diverse habitats beneficial to numerous species of reptiles, amphibians, birds, insects and plants.

Wetlands are a vital link to the health of waterways and downstream biotic communities, as they improve water quality, trap floodwaters, recharge groundwater, provide fish and wildlife habitat and support recreation activities such as boating and fishing.

Eversource partners with state regulatory agencies and the United States Fish and Wildlife Service to protect migratory birds and their nests. With wingspans up to six-feet wide, ospreys and other large birds of prey can come into contact with power lines, creating a hazard for the birds and potential power outages. Eversource installs deterrents to discourage nesting on electric equipment, and may also provide nesting platforms in safer locations. Work around active nests that contain eggs or chicks is minimized until the young have fledged.

Eastern box turtles are a state-listed species in our region, and are sometimes found in the early successional habitat of our rights-of-way (ROW). The Massachusetts Natural Heritage & Endangered Species Program (NHESP) requires that staff responsible for vegetation management activities within state-listed turtle Priority Habitat complete turtle protection training. Eversource partners with NHESP to offer an annual turtle training event open to utilities and vegetation management companies. Our Transmission team has also used a turtle tracking dog and locating equipment to clear an access path for vehicles entering priority habitat.

In 2015, Eversource and the National Fish and Wildlife Foundation (NFWF) New England Forests and Rivers Fund launched the [Partners for New Hampshire's Fish and Wildlife](#) program to restore and sustain healthy forests and rivers, and enhance habitat for native bird and freshwater fish populations in New England. In the first two years of the partnership, the program has awarded grants to 17 projects that will open 240 miles of stream to fish passage, restore 1,601 acres of forest, and rectify 18 fish passage barriers.

Through its partnership with NFWF, in 2016 Eversource funded [grants](#) to the following organizations:

- *Belknap County Conservation District* – Restoring Stream Banks and Improving Forest Management to Benefit Eastern Brook Trout (NH)
- *Connecticut River Watershed Council* – Removing Fish Barriers to Restore Access to 140 Miles of Eastern Brook Trout Habitat (NH, VT)
- *Town of Brownfield, Maine* – Replacing a Culvert on the Shepards River to Restore Habitat for Eastern Brown Trout (ME, NH)
- *University of Connecticut* – Improving Pollinator Habitat in Rights-of-Way (NH, MA)
- *University of New Hampshire* – Achieving Multi-Species Benefits From Young Forest Restoration and Management (NH, ME)
- *Audubon Vermont* – Recruiting Private Landowners to Restore Young Forest Habitat for Golden-Winged Warblers (VT, NH)
- *Wells National Estuarine Research Reserve* – Creating New England Cottontail Habitat on Under-Utilized Lands (ME, NH)
- *Wildlife Management Institute* – Restoring Young and Mature Forest Habitat for New England Cottontail and Priority Bird Species (NH)

To learn more about the partnership and details on 2015 and 2016 grants, please visit the [NFWF website](#).

Land Management

Eversource owns and manages approximately 43,000 acres of land in Connecticut, Massachusetts and New Hampshire. Many of these properties are associated with electric or natural gas operations, including transmission line corridors, substations and office buildings, while others are held for future utility uses or inherent conservation value. We value our role as a responsible land steward and dedicate professional resources to maintain the integrity and long-term viability of the land we manage.

We have established formal plans for ensuring the careful management of the land's natural and cultural resources. Our focus is on:

- Forest health improvement, wildlife habitat protection, enhancement and diversification
- Soil and water resource preservation and agricultural stewardship
- Cultural resource protection
- Public recreational and educational uses
- Developing relationships with federal, state, municipal and private land-use agencies and not-for-profit land, wildlife and conservation groups to collectively coordinate management objectives
- Increasing asset value through natural resource improvement, revenue generation and improved access

For additional information and to join us in discovering our great outdoors, please visit the Eversource [Land Management website](#).

In 2012, the Eversource Land Trust was formed to administer permanent protection of key open spaces owned and operated by the company. Four properties in Connecticut were initially placed in the trust, and this gift to the people of Connecticut and the region ensures that important open spaces currently owned and operated by Eversource will be preserved in perpetuity.

Vegetation Management on our Rights-of-Way

The goal of our vegetation management activities is to maintain stable, low-growing grass, shrub and wildflower communities in the power line rights-of-way we manage. This type of vegetation provides the ideal environment for the safe and reliable operation of our electric system, and offers the greatest potential for wildlife habitat to flourish.


Our management of distribution and transmission rights-of-way produces a positive benefit on the ecosystem, promoting biodiversity by controlling selected invasive species and preserving native plant species beneficial to a wide range of wildlife. Eversource employs an integrated vegetation management (IVM) approach to control targeted plant species through a combination of manual, mechanical, chemical and biological methods. These integrated methods allow for the development of low-growing, early successional plant communities while also ensuring the safe and reliable operation of the electric system. Early successional habitats are beneficial to numerous species of plants and animals of special concern, such as the Eastern Hog Nose Snake, New England Cottontail and Eastern Towhee. Please see our [Reliability & Resiliency Initiative](#) section for more information.

Forest Management

We manage approximately 11,800 acres of forest land (about 120 properties) in Connecticut, New Hampshire and Massachusetts, which contain wetlands, vernal pools, water courses, diverse habitats and scenic resources. Eversource promotes sound forest management under the direction of licensed professionals resulting in the sustainable production of timber, species diversity and forest health.

Wildlife Management

Species and habitats known to be rare or of special concern are accommodated in both our operational activities and in our land management planning. A conservation easement of 25 acres in Massachusetts was granted for the preservation of Eastern Box Turtle and Eastern Wormsnake habitat under the purview of the Massachusetts Natural Heritage & Endangered Species Program and Audubon Massachusetts.



In Connecticut, we work with the DEEP Wildlife Division to make 2,500 acres available to the public for regulated hunting activities. We also administer a private land hunting program on another 2,500 acres of land in Connecticut.

Cultural Resource Protection

Winding stone walls, notable utility structures such as old dams, and Native American sites are among the New England treasures found in forests, fields and wetlands. We recognize the importance of these cultural relics and incorporate their protection into our property management activities. New construction projects along rights-of-way may require formal consultation/cultural resource investigations. We employ a cultural resources specialist and proactively work with both the State Historic Preservation Officer of each respective state and with Tribal Historic Preservation Offices to identify and protect resources of significance during construction where possible.

Recreation

Many of our company lands are open to the public for passive recreational uses, including hiking, nature study, fishing and cross-country skiing. Please visit our [Land Management website](#) to learn more about recreational activities on our lands.

Agriculture

Our land holdings also include nearly 480 acres, which are actively managed for agricultural purposes. Our objectives for these lands are to protect soil and water quality while maintaining long-term agricultural productivity.

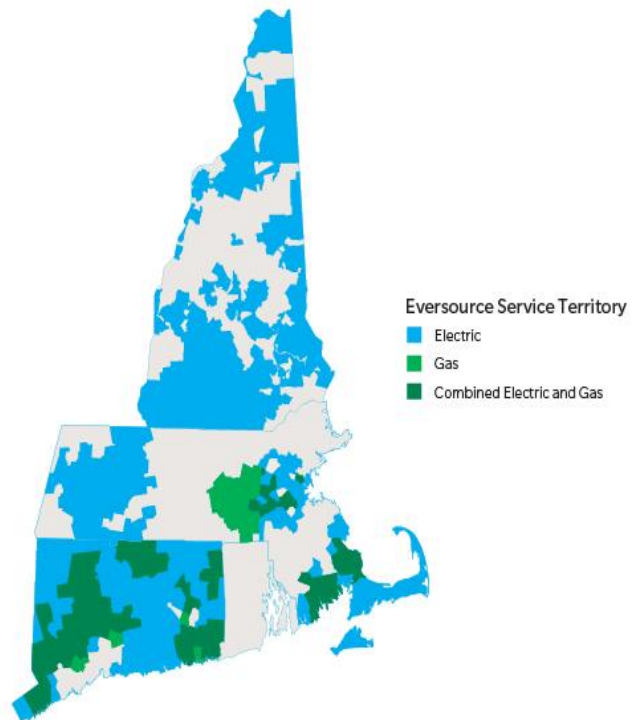
We encourage local farm initiatives and currently license property to members of [The Farmer's Cow](#) in Brooklyn, Connecticut, and to Graystone Farm, an organic farm in New Milford, Connecticut. We license these properties to interested farmers and work with the farmer, in addition to state and federal agricultural agencies, to identify best management practices that include crop selection and [soil conservation](#). Other considerations include erosion control, buffers and pest and weed control methods.

OUR BUSINESS

About Our Company

[Eversource](#), a Fortune 500 and Standard & Poor's 500 energy company based in Connecticut, Massachusetts and New Hampshire, operates New England's largest energy delivery system. We are committed to safety, reliability, environmental leadership and stewardship, and expanding energy options for our 3.7 million electricity and natural gas customers.

Company Profile	As of 2016 Year End
Employees	7,762
Customers (Electric)	3.2 million
Customers (Gas)	519,000
Communities Served (Electric)	499
Communities Served (Gas)	123
Service Territory (Electric)	13,230 sq. miles
Service Territory (Gas)	3,254 sq. miles
Miles of Natural Gas Pipeline	6,617 miles
Transmission Lines	4,341 cable miles
Distribution Lines	57,364 circuit miles
Liquefied Natural Gas Plants	3



Generation Facts		
Type of Plant	Number of Units	Claimed Capability (KW)
Steam*	5	935,343
Hydro*	20	58,115
Internal Combustion*	5	101,869
Biomass*	1	42,594
Solar**	3	8,000

* Pursuant to New Hampshire regulatory settlement, fossil and hydro generation to be divested. Claimed capability represents winter ratings as of December 31, 2016. Combined nameplate capacity is approximately 1,200 MW.

**Solar claimed capability represents the direct current nameplate capacity of the plants. We are authorized to construct up to 62 MW of additional solar capacity in Massachusetts.

In June 2017, Eversource announced that it has reached an agreement to acquire Aquarion Water Company, which underscores Eversource's commitment to be a catalyst to help New England meet its environmental and sustainability goals. The acquisition is currently pending regulatory approvals.

2016 Awards and Recognition

Eversource has been recognized by many organizations for our operating efforts, including:

- [Newsweek Green Rankings](#) tenth-ranked 2016 “green” utility in the U.S.
- [Ceres](#) number one in energy efficiency among investor-owned utilities
- [Forbes Magazine](#): One of the best employers in America for the second consecutive year
- American Council for an Energy-Efficient Economy (ACEEE): 2017 Utility Energy Efficiency Scorecard ranked Eversource in Massachusetts first and Eversource in Connecticut fourth among the 51 largest U.S. electric utilities
- American Gas Association: Safety Achievement Award for having one of the lowest motor vehicle accident rates for companies of our type
- Institutional Investor: Best Investor Relations Professional and Best Investor Relations Program for the electric utility sector
- National Arbor Day Foundation and Massachusetts Department of Conservation and Recreation: Eversource Vegetation Management in Massachusetts presented with a Tree Line USA award for investments in tree care, education, professional staff, tree planting, and community involvement
- Environmental Business Council of New England: Eversource and its partner, the National Fish & Wildlife Foundation, recognized for Leadership by a Non-Profit Organization for dedication to the restoration and sustainability of healthy forests and rivers in New Hampshire

ENERGY STAR Partner of the Year Awards:

- Energy Efficiency
- Residential New Construction
- Home Performance
- Certified Products
- Commercial and Industrial
- Sustained Excellence

Corporate Governance

Doing what’s right – ethically, fairly and honestly – is the cornerstone of our corporate governance and corporate compliance culture. In that respect, all of Eversource’s trustees, officers, and employees must abide by the principals of Eversource’s [Code of Business Conduct](#). The Board of Trustees (the “Board”) has adopted a [Code of Ethics for Senior Financial Officers](#), a [Related Party Transactions Policy](#), a [Political Activity Policy](#), and [Independence Guidelines](#). The Company also has a Conflict of Interest Policy and [Financial Disclosure Policy](#) in place, to which all trustees, officers, and employees must adhere. These policies collectively address day-to-day activities and reflect our commitment to conduct ourselves ethically, respectfully and honestly.

The Board ensures that the company has a clear and acceptable purpose, strategic and operational direction and plan, and that the business of the company is managed effectively, taking into consideration economic circumstances along with regulatory and legal requirements. The [Corporate Governance Guidelines](#), along with the [Charters of each of the Board of Trustees’ Committees](#), provide the framework for the governance of our company with the goal of enhancing long-term value for shareholders while also fulfilling customer, commercial, community and public service obligations.

All officers and employees receive communication on the Code of Business Conduct and corporate policies, such as Conflict of Interest, Fraud Prevention and Detection, Prevention of Discriminatory Harassment, and Fitness for Work, which together outline the need to demonstrate inclusive, respectful, honest and ethical behavior as they perform job-related tasks and interact with each other, customers and the public. Throughout employees’ careers, training is provided to ensure ongoing awareness and understanding of The Code of Business Conduct and company policies and procedures.

Further information can be found on our website under "[Corporate Governance](#)" and in our [Proxy Statement](#).



Ethics and Risk Management

The Board of Trustees, both as a whole and through its committees, is responsible for the oversight of the company's risk management processes and programs. Our Enterprise Risk Management (ERM) program applies a well-defined enterprise-wide methodology to allow our Risk Committee, comprised of our senior officers of the company, to identify, categorize, prioritize, and mitigate the principal risks to the company. The ERM program is integrated with other assurance functions throughout the company, including Compliance, Auditing, and Insurance.

In addition to known risks, ERM identifies emerging risks to the company through participation in industry groups, discussions with management and in consultation with outside advisers. Our management then analyzes risks to determine materiality, likelihood and impact, and develops mitigation strategies. Management broadly considers our business model, the utility industry, the global economy and the current environment to identify risks. Findings of the ERM process are periodically discussed with the Finance and Audit Committees of our Board, as well as with other Board Committees or the full Board of Trustees, as appropriate, including reporting on how these issues are being measured and managed. Additionally, a comprehensive annual report on ERM is made to the Finance Committee, which is also provided to and reported on to the full Board.

Cyber Security and Critical Infrastructure Protection

Cyber breaches, acts of war or terrorism, physical attacks or grid disturbances resulting from internal or external sources could target our transmission, distribution and generation facilities or our information technology systems. Such actions could impair our ability to manage these facilities, operate our systems effectively, or properly manage our data, networks and programs, resulting in loss of service to customers.

We have a cyber security program that continuously monitors risk and implements safeguards to protect our operational systems and information technology assets to minimize any potential impacts to Eversource caused by a cyber security event. We work with numerous external entities to improve our cybersecurity situational awareness. In addition, Eversource is fully compliant with the North American Electric Reliability Corporation cyber security requirements for protecting and deterring cyber and/or physical attacks. Corporate risks are also discussed in our [Annual Report](#).

Financial Performance

In 2016, despite some challenging headwinds, we reported earnings of \$2.96 per share, an increase of more than 5 percent over 2015 recurring earnings. That growth is consistent with our long-term projected annual earnings per share growth rate of 5 to 7 percent, which is among the most attractive growth rates in the utility industry.

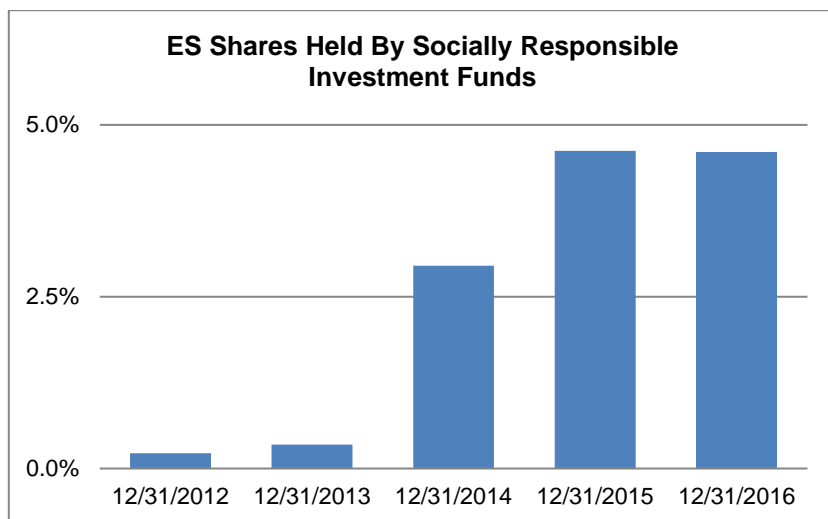
We raised our common dividend by 6.6 percent in 2016 to an annualized rate of \$1.78 per share, and in February 2017 we announced a 6.7 percent increase in the common dividend to an annualized rate of \$1.90 per share. Our total return to shareholders in 2016 was 11.6 percent, in line with the S&P 500's total return of 12 percent over the same period. This is the seventh time in eight years that we have provided shareholders with a double-digit return. Only four other companies in the EEI Index have provided double-digit shareholder returns as consistently as we have since 2009.

When it comes to our credit ratings, no other electric utility peer matches our profile. In 2016, Moody's Investors Service and Fitch Ratings raised their credit ratings on multiple Eversource operating subsidiaries, while Standard & Poor's also raised its outlook on the Eversource family of companies from stable to positive. This follows Standard & Poor's 2015 upgrade of the corporate credit rating for the Eversource family of companies to "A," tops among our industry peers.

We continue to rank in the upper tier in the electric industry for overall system reliability year after year. That is because we pride ourselves on our level of investment in our smart, resilient and safe electric and gas systems. Our electric customers can continue to count on us for reliable power, thanks in part to nearly \$2 billion in capital investments in our distribution and transmission systems in 2016 - an increase of about 11 percent over 2015. We also significantly increased capital expenditures associated with our natural gas system, investing close to \$300 million in 2016 to install new pipes and equipment, and connect more customers. This represents a 55 percent increase in our annual level of investment since 2013. We added more than 10,000 new natural gas space heating customers in 2016 for the fourth

year in a row, as natural gas remains the heating fuel of choice in Massachusetts and Connecticut. In addition to residential expansion, we expect to grow our natural gas investments through conversion of non-residential customers, new regional gas transmission, and enabling fuel cell development.

Eversource meets regularly with socially responsible institutional investors. The percentage of Eversource shares held in their portfolios is highlighted below.



Selected Financial Data

(Thousands of dollars, except share information and statistical data)

	2015	2016
Operating Revenues	\$ 7,954,827	\$ 7,639,129
Operating Income	\$ 1,764,164	\$ 1,859,859
Net Income Attributable to ES Common Shares	\$ 878,485	\$ 942,302
Diluted Earnings per Common Share (GAAP)	\$ 2.76	\$ 2.96
Diluted Earnings per Common Share (Non-GAAP) (1)	\$ 2.81	\$ 2.96
Diluted Common Shares Outstanding (Weighted Average)	318,432,687	318,454,239
Dividends Paid per Share	\$ 1.67	\$ 1.78
Sales of Electricity (Regulated Retail, KWH-millions)	54,616	53,642
Electric Customers (As of Year End)	3,139,608	3,167,817
Firm Sales of Natural Gas (million cubic feet)	98,458	93,346
Natural Gas Customers (As of Year End)	511,286	518,953
Investments in Property Plant and Equipment	\$ 1,724,139	\$ 1,976,867
Property, Plant and Equipment, Net (As of Year End)	\$ 19,892,441	\$ 21,350,510
Market Capitalization (As of Year End)	\$ 16,198,957	\$ 17,501,603
Share Price (As of Year End)	\$ 51.07	\$ 55.23

(1) Diluted Earnings per Common Share (Non-GAAP) for 2015 was adjusted to exclude integration and merger-related costs. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Form 10-K for a reconciliation to GAAP.

Total Shareholder Return

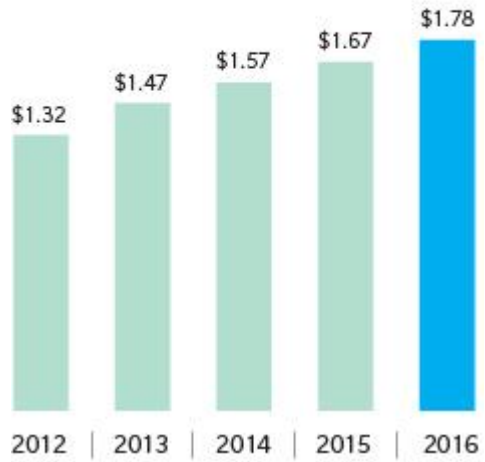
(Assumes \$100 invested on December 31, 2011 with all dividends reinvested)



Closing Share Price



Dividends Paid/Share



Historical and detailed financial information is available in Eversource's [Annual Reports](#).



Sustainable Supply Chain

Eversource is committed to sustainability in its supply chain and recognizes the importance of ethical behavior in business relationships and in the workplace. To clearly set out our expectations for suppliers, Eversource requires all vendors to adhere to our Supplier Code of Conduct.

We actively support industry-wide expansion of supply chain sustainability through participation in the [Electric Utility Industry Sustainable Supply Chain Alliance](#) (the "Alliance"). As a standards development organization formed to promote environmental stewardship and provide value to customers and shareholders, the Alliance focuses on non-fuel suppliers. Working with industry suppliers and other interested parties, together with the Alliance, we are improving environmental performance and advancing sustainable business practices for major categories of electric utility purchases. Eversource once again maintained active membership in the 2016 Alliance.

Environmental Management of Suppliers

Eversource Energy is committed to environmental compliance, leadership, accountability and stewardship. Per our 2016 Supplier Code of Conduct, we expect all of our Suppliers to be familiar with and to adhere to Eversource Energy's Environmental Policy, to comply with all applicable environmental laws and regulations, and to conduct their operations in an environmentally responsible manner that respects both the natural and human environment.

Eversource Procurement fosters supply chain sustainability through our supplier bidding and award process. We actively solicit vendors' environmental and compliance performance information through our request for proposals (RFP). This information is evaluated in bid awards. The Eversource "Contractor of Choice Program" is an example of how Eversource considers environmental criteria in RFP evaluations.

In the field, we engage environmental permitting vendors who are qualified to identify the least impactful manner in which to build projects. Construction trade vendors are required to comply with environmental best management practices and receive project-specific environmental training such as protection of wetlands, endangered species and cultural resources.

We also utilize pollution vendors who are responsible to pick up, transport and dispose of waste regulated as hazardous from company facilities, and also provide 24/7 emergency response support to clean up oil and hazardous materials (OHM) releases from company owned/operated equipment. Through internal audits we ensure that pollution vendors are in compliance with federal & state hazardous waste management rules applicable to cleanups, waste transport and waste disposal. Our professional services vendors are selected on a "most qualified" approach, and include licensed professional engineers, geologists, hydrologists, chemists, toxicologists, environmental scientists and licensed site professionals.


Once an environmental project initiates, Eversource vendors are monitored by highly trained and experienced Environmental Coordinators (EC) in the field to ensure the project is completed within scope and in compliance with state and federal regulations. The EC also provides post-project feedback to vendors on performance, maintains all associated compliance records, and interfaces with regulators who may observe company vendor activities. As part of the EC responsibilities, they also provide monthly updates to company management on vendor performance and spending.

Commitment to Supplier Diversity

We provide all suppliers with equal access to purchasing opportunities, promoting supplier participation reflective of the diverse business community. Together with our diverse suppliers, we are expanding business opportunities, advancing suppliers' visibility and growth goals, and creating valued business relationships.

We are committed to the active inclusion of diverse businesses in our supply base, including:

- Small disadvantaged businesses
- Veteran or service disabled veteran-owned small businesses

- 
- Businesses located in historically underutilized business zones
 - Minority, female or disadvantaged business enterprises

In 2016, we spent \$441.4 million with Small and Diverse Businesses, exceeding six of our seven diversity spend goals.

Our ongoing challenge is to find small and diverse businesses that can support our business requirements, which cover a large geographic area. The company has undertaken a number of efforts to address this challenge, including requiring large firms to subcontract to smaller, diverse suppliers and through our support of the Greater New England Minority Supplier Development Council and Diverse Supplier Development Academy.

As a Gold Sponsor, and a member of the Board of Directors of the Greater New England Minority Supplier Development Council, Eversource actively participates in the direction of Supplier Diversity in the New England region.

As the founder and funding partner of the Diverse Supplier Development Academy, we have helped to build a stronger, diverse business community that contributes to the economic vitality of the region. It has accomplished this through job creation and downward pressure on the cost of goods and services brought about by increased competition. By assisting in the development of suppliers, we have advanced suppliers' visibility, capability and assisted in the promotion of supplier growth that is reflective of the diverse business community.

Supply Chain Management Project

The Eversource Supply Chain Management Project (SCMP) is one of our key business transformation initiatives to consolidate and standardize all supply chain processes and practices across our company. This initiative, which began in 2016 and is continuing in 2017, will eliminate redundancy, leverage industry-best practices and introduce state-of-the-art technology to our sourcing, contracting and materials management-related activities.

The project integrates business processes and leverages state-of-the-art software to:

- Improve vendor management and inventory accuracy
- Enable electronic invoicing and payments
- Increase transaction and workflow automation
- Improved analytics for cost management and reporting

When completed, this project will benefit employees, suppliers and our customers. In addition to project-related cost savings, our Ariba Supplier Enablement effort, which launched in 2016 and requires suppliers to transact electronically with Eversource, will provide emission reductions from reduced paper use and printing, postage, and transportation costs.

SERVING OUR CUSTOMERS

Customer Experience

Eversource is committed to delivering a superior customer experience, and we're always seeking new solutions to enhance the ways our customers interact with us to make doing business with us quick and easy.

With comprehensive customer research and feedback in mind, in 2016, Eversource implemented several enhancements to drive customer satisfaction across channels. Using a combination of advertising, interactive online experiences, proactive notifications, call center interactions, and a new bill design, we will ensure a consistent experience and provide information and resources our customers most value. We also communicate regularly with our customers through social media, including Facebook, Twitter, Instagram and YouTube.

In 2016, we implemented:

- Our new full-color bill designed with direct customer feedback, which makes key information easy to find and provides a clear view of energy use and charges to help customers better understand and manage energy costs.
- New options for receiving electric outage and restoration updates by text, email and phone. Since its introduction, customer surveys show a 20-point increase in satisfaction with being kept informed during an outage over the same period in the previous year.
- An enhanced experience for the approximately 1.5 million customers who use eversource.com each month as a self-service tool and information source, including:
 - An optimized homepage with simplified navigation and log-in.
 - Reduced clicks to pay a bill, report an outage or access the Energy Savings Plan.
 - A consolidated credit card processing solution with additional options and, for residential customers, reduced fees.
 - A Storm Center page to provide customers in storm-affected areas with timely information.
 - An Account Information page for fast access to account information and options to view and pay a bill at log-in.
- An update and consolidation of our customer service phone system enabling greater call routing flexibility and streamlined service for customers.
- A dedicated Social Customer Care team to provide timely response to customer service inquiries received via social channels.
- Proactive communications regarding scams and aggressive energy suppliers to ensure customers understand their energy supply options and can identify and avoid dishonest marketing tactics.
- A refresh to our employee program, "I Am Eversource," to enable all employees to quickly provide a solution to a customer inquiry outside their area of expertise. Since 2015, the program has resolved more than 480 inquires.
- A Business Customer Communications Strategy Team to communicate our commitment to reliability and corporate citizenship. The team's recommendations contributed to a 13 and 10 percent increase in satisfaction for our gas and electric business customers respectively.
- Webinars for business customers. Since December 2014, nearly 3,000 business customers and suppliers have registered to attend presentations on such topics as energy efficiency, reliability and competitive energy supply.
- Streamlined translation of our monthly statements in braille for our sight-impaired customers in Eastern Massachusetts. This no-cost service ensures accessibility and enables these customers to independently manage their monthly utility bills.

For more information on the many ways in which we are investing in energy efficiency tools and programs for our customers, please visit the [Energy Efficiency section](#) of this report.

Protection of Customer Information

Eversource understands the importance of protecting our customer's personal information. We maintain a comprehensive program to help ensure delivery of services and to protect against the loss, misuse and alteration of customer data. Safeguards used to protect this data include:

- Comprehensive information security policies and procedures
- Risk assessments to identify and address new and changing risks to protect systems and sensitive data
- Implementation of encryption technologies to prevent unauthorized access
- Reviewing all safeguards on a regular basis
- Training employees in the proper handling of personal information

Further information on data we collect, how we safeguard customer information, and how customers can protect their information can be found in our [Privacy Policy](#) published at Eversource.com.

Customer Assistance Programs

Through comprehensive assistance programs, Eversource demonstrates its commitment to ensuring our customers have access to utility services. We understand there are times when customers may have difficulty paying their bill and we partner with local, state and federal agencies to help customers who need assistance.

See state-specific Financial Assistance pages at Eversource.com for information specific to [Connecticut](#), [Western Massachusetts](#), [Eastern Massachusetts](#) and [New Hampshire](#). Households with incomes at or below 60 percent of a state's median income are eligible for many of these programs.

Examples of assistance programs available to our Eversource customers include:

Financial Assistance

- For all customers, our Budget Billing program provides a convenient way to budget energy expenses by spreading payments evenly throughout the year.
- With our NewStart Program, customers can eliminate portions of their overdue balance in as little as 12 months. In 2016, almost 60,000 customers were enrolled in the program and approximately \$29 million dollars in customer debt was forgiven.
- For qualifying limited income customers in New Hampshire and Massachusetts, rate discounts are available to reduce the customer's cost per kWh for electricity.

Shut-off Protection

- Our Winter Protection Plan protects eligible customers from utility service disconnection for nonpayment from November 1 to May 1 in Connecticut and from November 15 to April 1 in Massachusetts. Eligible New Hampshire customers are protected from utility service disconnection from November 1 to March 31 if, at least, 10 percent of the balance is paid.
- Our Medical Protection Plan provides qualified customers with service protection during a serious illness.

Assistance for Customers with a Medical Condition or Disability

- Eversource will notify customers who depend on electricity for life-support equipment prior to planned power outages, and when there is a potential for weather-related outages due to large storms.
- Eversource offers a specialized TTY teletype and contact number for hearing-impaired and deaf customers.

Customer Outreach

Our dedication to helping customers learn about energy programs extends to providing year-round, face-to-face outreach during social agency meetings, energy workshops, senior fairs and community events.

Eversource has longstanding partnerships with Operation Fuel in Connecticut, Good Neighbor Energy Fund in Massachusetts and Neighbor Helping Neighbor in New Hampshire. In 2016, Eversource donated more than \$265,000 to these programs with an additional \$720,000 donated from customers through our Add-A-Dollar program.

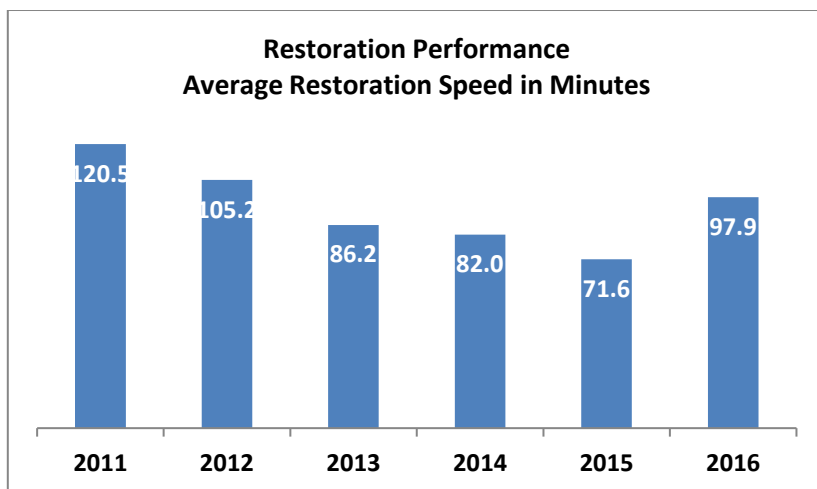
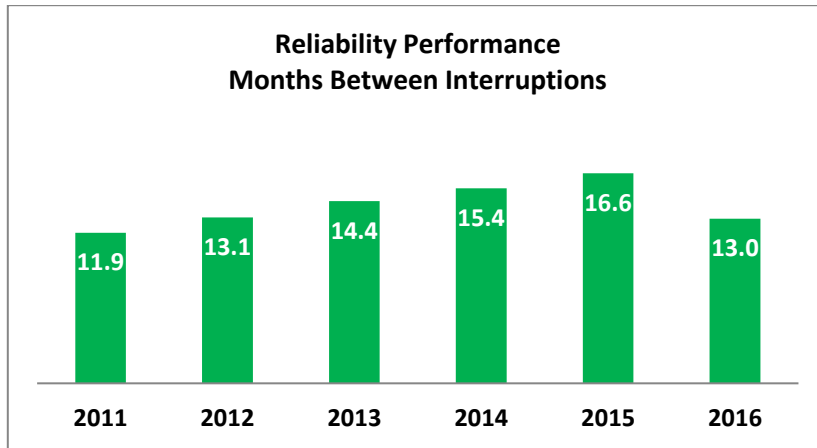
Reliability & Resiliency Initiatives

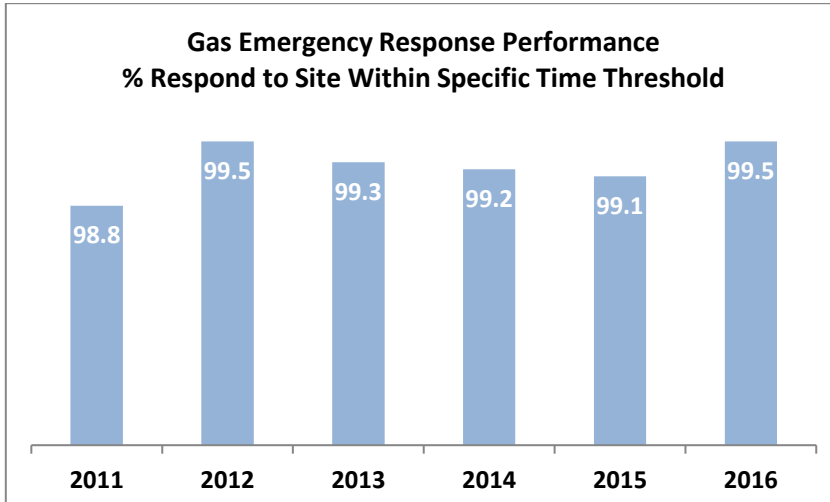
In 2015, we delivered our best service ever, and our customers were able to count on reliable power 99.98 percent of the time. We have also improved reliability system-wide by 37 percent over the last five years. During 2016, we experienced twice the number of storm events compared to 2015, and the multiple lightning and wind storms, combined with drought conditions that stressed trees and caused damage to our equipment, led to electric reliability performance behind plan.

Despite this, many customers were pleased with the way our investments in automating our system paid off. Many were highly complimentary of restorations that took place in hours or minutes. Each year, Eversource upgrades and strengthens infrastructure across the region to reduce the possibility of service interruptions, especially during summer's peak demand and severe winter weather. We focus on projects designed to increase the capability and dependability of our systems, while continually managing vegetation near power lines.

Reliability Performance

To ensure that we are responding proactively to our customers' needs for reliable energy, we establish challenging targets at the start of each year, and track specific monthly operating performance measures. Each month, operating performance results are communicated to employees.





Our historical targets and performance results are available [here](#).

Examples of some of our key initiatives follow, and further information about planned projects to improve reliability are available on our [website](#).

Eversource Energy Center

The Eversource Energy Center at the University of Connecticut (UConn) is an innovative energy company and university partnership. Our state-of-the-art research, technology and software are solving real-world challenges for our customers where weather, climate and energy intersect. We are collaborating with utilities and industry partners as front runners in mitigating storm hazards, delivering improved reliability and increasing the resiliency of the electric grid.


Through [Storm Outage Forecasting](#) we are predicting a storm’s impact in advance of its arrival to foresee the number and location of outages and proactively dispatch crews. We are also identifying [how trees move with the motion of the wind](#). This important research guides our close collaboration with towns on [roadside forest management](#), and informs utility tree trimming best practices. Our [Stormwise](#) program offers immediately useful tips on tree types and planting locations.

Our Center’s breakthroughs in science and technology, combined with our field operations and engineering expertise, are delivering significant benefits for our customers and region with greater reliability and superior customer service. We invite you to see our activities in action by visiting the [Eversource Energy Center website](#).

In 2017, Eversource and the Eversource Energy Center at the University of Connecticut launched a new research partnership with Plymouth State University (PSU) in Plymouth, New Hampshire that will develop an outage prediction model for New Hampshire, particularly during winter storm conditions. Research conducted through PSU’s meteorological degree program will focus on storm model and system damage forecasting based on analysis of historic weather data in New Hampshire. The partnership with Plymouth State will help produce critical data that will enhance reliability for Eversource customers, and help the company plan the grid of the future, especially in areas deemed most susceptible to extreme winter weather conditions.

Tree Trimming and Removal

Eversource’s Vegetation Management program is a thoughtful plan to balance the needs of our customers and communities, with the goal of providing safe, reliable electric service for our customers while monitoring growth of trees around power lines. Tree trimming and removal activities reduce both the number and duration of outages, and are the most effective means of improving service reliability. Tree trimming also benefits the communities we serve by removing dead or diseased branches and trees that not only threaten power lines and rights-of-way, but also public roads. Tree



trimming is done in accordance with the standards of the International Society of Arboriculture (ISA), and the American National Standard Institute (ANSI). To find out more about our program, please visit our [Eversource](#) website.

Vegetation Management Education and Outreach

Eversource arborists, in partnership with University of Massachusetts (UMass) staff, forestry students and local tree wardens, recently completed a utility arboretum at the Agricultural Learning Center at the UMass Amherst campus using recycled poles and electrical equipment. Various species of trees have been planted near de-energized utility poles to provide educational opportunities on working safely around utility lines, properly planting and maintaining trees around utility poles. Highlights of the project include:

- Educational resource for forestry and arboriculture classes
- Research opportunity through monitoring trees for growth and adaptability
- Public resource for tree wardens, municipal officials, landscape architects and other interested parties

Automation Programs

Eversource employs a large amount of distribution automation on its overhead and underground circuits. When a fault occurs, this equipment automatically isolates the faulted portion of the circuit and restores service to customers in the unaffected portion. Our distribution automation effectively reduces the impact of outage events by over 25 percent on average. To build on this success, Eversource is continually seeking new and more cost-effective options to further automate our system. We are piloting new technologies to provide even more benefits to customers and the electric system.

We are continuing to build out a large amount of distribution automation on our overhead system. Eversource is piloting overhead reclosers that can enhance distribution outage mitigation with single pole switching, which can significantly reduce the impact of objects such as tree limbs that come into contact with utility lines. This faster automatic service restoration will improve reliability and minimize the number of customers impacted from a fault.

We are continually improving and benchmarking our ability to integrate renewable energy on to our distribution system. One such initiative is a pilot program that uses cellular technology to seamlessly integrate renewable energy, such as solar farms and fuel cell projects, onto the Eversource distribution system. Due to the demand for renewable energy, Eversource is leveraging distribution automation to help make access to renewable power easier.

Distribution System Hardening


Eversource regularly reviews the performance of our system and performs upgrades to bring new construction or retrofit construction to our enhanced design criteria, meeting or exceeding requirements of the National Electrical Safety Code. Investments typically target upgrades that will improve the ability of the system to withstand the impacts of wind, lightning, snow, ice and animals.

Approved Regulatory Programs

In addition to infrastructure improvements to strengthen the reliability of our system, we are continually working with our regulators to identify and approve new programs that will help to improve our system resiliency.

In Connecticut, Eversource's "[System Resiliency Plan](#)," a five-year, \$300 million infrastructure hardening plan, was approved by the Connecticut Public Utilities Regulatory Authority (PURA) in 2013. In June of 2015, PURA approved an additional \$137 million of spending on the plan, which is designed to improve the system's ability to withstand damage when extreme weather strikes, reducing frequency and duration of power outages from severe weather and improving day-to-day system reliability. Since 2013 and through 2017, the plan focuses on: [tree trimming](#), making our wires more weather- and tree-resistant; strengthening poles, cross-arms and other vital hardware; and equipment automation.

In New Hampshire, Eversource has a Reliability Enhancement Program (REP), developed in conjunction with the New Hampshire Public Utilities Commission (NHPUC). The program was initiated in 2007 and has had two modifications, with the current version expiring at the end of June 2017. A request for extension of the REP has been filed with the NHPUC



which will extend the program through the end of 2017, with a revenue stream that supports approximately \$2 million in specific operations and maintenance (O&M) programs and approximately \$10 million in specific capital programs for the six-month period. Additional approval from the NHPUC for a program extension will be submitted this fall for the 2018 calendar year at full-year values. The program has produced measurable improvements in customer reliability.

Transmission Reliability Initiatives

Eversource continually assesses the transmission system to assure that its operation meets regional and national reliability standards. Working in conjunction with ISO-NE, Eversource conducts periodic 10-year look-ahead transmission system studies so that system concerns are anticipated and resolved prior to being experienced in real-time operations.

The most recent ISO-NE solutions study that has been approved addresses reliability needs in the Southeastern Massachusetts/ Rhode Island area of the regional transmission grid. ISO-NE identified a suite of 27 individual projects totaling \$305.8 million, of which Eversource has 14. In addition, over the next five years, Eversource will continue to implement a series of new transmission initiatives as part of the Greater Boston Reliability (“Greater Boston”), Greater Hartford Central Connecticut (GHCC), Southwest Connecticut (SWCT) and New Hampshire (NH) major project initiatives. These initiatives are the result of continued analysis of the transmission needs to enhance system reliability and improve capacity and reliability in Eversource’s operating territory. In addition to these major projects, there are several smaller line and substation projects that collectively are designed to address the reliability and capacity needs identified in these geographic areas.

Major transmission projects are highlighted on our website under [“Major Projects & Infrastructure”](#)

Gas Business Reliability Initiatives

Reliability, safety and the sustainability of our natural resources are key components in the daily operation of our natural gas systems in Connecticut and Massachusetts. In 2016, we invested close to \$300 million in our gas delivery infrastructure. This investment involves a combination of upgrading existing distribution mains and LNG storage facilities as we continue to meet the increasing demand for natural gas in our communities.


Our natural gas business plans directly align with federal regulations, which require all U.S. natural gas companies to identify and address the greatest risks affecting the reliability of their distribution systems.

In 2017, Eversource will continue a class 3 leak repair program to reduce methane emissions in Connecticut. The program will systematically reduce the number of leaks over the next several years, reducing the total number of class 3 leaks on state-of-the-art facilities by more than 60 percent. These repairs, well above any Federal code, will be prioritized based on facility type. In Massachusetts, Eversource began a program to eliminate High Emitter leaks (leaks that are considered to be Environmentally Significant). High Emitter leaks currently on the system will be repaired within two years unless the leak is on a facility scheduled to be replaced as part of the Gas Safety Enhancement Program (GSEP) program in the next five years. All future High Emitter leaks will be repaired within two years from the date of discovery.

In Connecticut, Eversource was first in the state to implement an accelerated replacement and reliability program. In Massachusetts, the company developed its GSEP to plan, prioritize and accelerate the replacement of leak-prone pipe with new state-of-the-art plastic pipe. This program is approved annually by the Massachusetts DPU. As a result, Eversource is helping the environment, improving system reliability, and creating the springboard to drive natural gas expansion within its service territories.

Grid Modernization

On January 17, 2017, as a part of its Massachusetts rate case petition, Eversource filed a Grid Modernization Base Commitment (GMBC) proposal, which includes a suite of investments that will modernize the Company’s electric distribution infrastructure to improve reliability and enhance the Company’s ability to integrate distributed energy resources (DER) on its system. The GMBC proposal has a five-year time horizon that includes investing \$44 million in tools to better manage the grid; \$84 million to increase the automation and flexibility of the system; \$111 million to



improve the Company's communications and remote sensing capabilities; \$100 million in energy storage projects; \$15 million for customer tools for DER integration; and \$45 million for electric vehicle infrastructure. We expect a decision on our Massachusetts grid modernization proposal in late 2017.

On June 1, 2017, Eversource filed an application with Connecticut PURA seeking approval of the Company's proposal for investments designed to improve the process to interconnect distributed generation facilities and a decision is pending. The application includes investment in an online portal to improve the application and tracking process for interconnecting customers and developers. It also includes hosting capacity analysis and mapping tools for developers of solar or other DER facilities to gain more visibility into the relative challenges of interconnecting in specific locations in the Company's CT service territory.

In New Hampshire, Eversource participated in a grid modernization working group process between April 2016 and March 2017. The effort resulted in the filing of a grid modernization working group report with the New Hampshire PUC on March 20, 2017. The report outlines opportunities to support investments that achieve the following four goals for grid modernization: improve reliability, resiliency and operational efficiency of the grid; reduce generation, transmission and distribution costs; empower customers to use electricity more efficiently and to lower their electricity bills; and facilitate the integration of distributed energy resources.

Emergency Preparedness

Eversource is committed to emergency preparedness and business continuity, and strategically coordinates preparation and response efforts for storms and other major emergencies across our service territory. Our executive-led program is reviewed regularly to ensure it is being implemented effectively and maintained at the highest level of excellence.

Eversource takes a comprehensive "All Hazards" view to address business risks, including preparing for and responding to threats to continuity of services.

- We train consistent with the Federal Emergency Management Agency (FEMA) training standards, modules, classroom instruction, drills and exercises, and e-learning modules within a formal ongoing training and exercise program.
- Major events and preparedness exercises are fully debriefed, after-action reports compiled, and follow-up actions tracked to completion, consistent with continuous improvement and the path to excellence.
- Partnering with our communities, we have pre-identified critical facilities such as hospitals, nursing homes, police and fire departments, in order to prioritize initial life and safety emergency response actions. Residents with life-sustaining medical equipment in their homes receive proactive outbound calls from us with storm readiness and awareness tips.
- Following the successful 2015 deployment of a common Outage Management System for managing electric emergency response and restoration across all three states, in 2016 we deployed technology for our customers to receive outage and restoration updates for their electric service by text, email or phone. Updates include time of restoration, outage cause, status updates, and restoration completion.
- In 2016, our training and exercise program included training scenarios involving all operational and support organizations focused on response and recovery mission capabilities associated with decision-making and communication processes, integration and coordination within and between organizational units.
- As a follow-up to the December 2015 Ukraine event involving a loss of remote control capability from a cyber-attack, we conducted a related in-house exercise including ISO-NE and FBI staff. As a result of that exercise, our industry leadership was recognized by FERC and NERC who included Eversource in a FERC NERC joint review of industry restoration and recovery plans.
- Our business response plans provide a standardized approach to emergency response, with integrated plans that are scalable to respond to an isolated incident, a regional or state-level event, or to address an incident affecting our entire three-state service area simultaneously.

All of our preparedness and response plans emphasize our partnerships and timely communications with key stakeholders in each state. Working with communities, states, and federal agencies, we have established protocols to ensure a coordinated and integrated emergency response. For each state in our service area, we have an extensive

communications and liaison team responsible for two-way communication with key stakeholders prior to and throughout an event to ensure up-to-date information is shared.

Our [website](#) provides customers with key information during severe events, such as outage reporting, a detailed outage map, real-time updates of crew and restoration status and the ability to stay connected through social media..

Distributed Generation

Distributed Generation (DG) involves the production of electricity from many small energy sources, including solar, wind, fuel cells, and micro turbines. DG can lower customer costs, reduce emissions, and expand energy options for our customers. As of December 31, 2016, Eversource has more than 1.5 million kilowatts (kW) of DG interconnected with our facilities as shown below.

kW of Interconnected DG (As of Dec. 2016)	Solar	Wind	Hydro	Other	Combined Heat & Power	Total
CT	223,875	5,106	113,824	26,180 ¹	172,256	541,241
MA Eastern Electric	379,859	49,550	0	2,071	41,186	472,666
NH	39,087	38,549	76,715	89,684 ² 19,865 ³	15,028	278,928
MA Western Electric	83,599	15,621	39,390	100,791 ⁴	N/A ⁵	239,401
Total	726,420	108,826	229,929	238,591	228,470	1,532,236

¹ Fuel Cell, ² Biomass, ³ Landfill Gas, ⁴ Municipal Solid Waste, ⁵ CHP is not separately tracked at MA Western Electric

Generating facilities using renewable forms of energy may be eligible to receive incentives and grants. To learn more about these incentives and how customers can safely interconnect with our system, please refer to the generator interconnection guidelines available on our [website](#).

In The Community


Eversource is committed to the health and economic well-being of the residents, businesses and institutions of Connecticut, New Hampshire and Massachusetts, and values its role as a responsible corporate citizen.

Charitable Giving

In 2016, through our foundations and corporation giving, Eversource provided more than \$5 million in grants to local and regional organizations to support economic and community development, the environment, and initiatives that address local, high-priority concerns and needs. We target our giving to ensure the greatest community benefit.

2016 Highlights

- \$5 million in charitable investments across New England
- More than 85 volunteer days and charitable events
- More than 3,400 employees and their family members participating
- 15,000 hours making a meaningful difference
- More than \$450,000 donated in support of employee personal giving and commitment through matching grants



In addition to grants to local nonprofit groups, our signature sponsorships include:

- [Special Olympics Connecticut Winter Games](#), hosted at our facility in Windsor, Connecticut, was a highly successful event. Eversource has been hosting the Games for more than thirty years. In 2017, that involved more than 735 people, including athletes and volunteers.
- [Eversource Walk for Boston Children's Hospital](#), which has raised \$12 million for patient programs over the last ten years.
- [Eversource Walk & 5K Run for Easterseals](#) in New Hampshire, continued with our second year of sponsorship and raised a total of \$240,000 with more than 2,500 participants and volunteers supporting the event.
- [Eversource Hartford Marathon and Half Marathon](#), which promotes health, fitness, and enjoyment for athletes of varying ages, experience levels and abilities, and generates more than \$13 million of economic value annually to the region with 75,000 spectators, participants and volunteers - including more than 200 Eversource runners and more than 100 Eversource volunteers. The Eversource Hartford Marathon has received *Gold Certification* from [Council for Responsible Sport](#) for its social and environmental sustainability initiatives and was the first marathon to receive the distinction as an *Inspire Gold* event.
- [PGA Tour Experience for Junior Golfers](#) at Travelers Championship. Last year, Travelers Championship raised a record \$2.7 million for charity, supporting multiple nonprofit organizations throughout New England.

Additional information about our community involvement, including environmental stewardship, school programs and the signature sponsorships noted above can be found by visiting the [Community](#) pages of [Eversource.com](#).

Volunteer Programs and Employee Giving

Eversource is proud to offer corporate volunteer programs, which give our employees the opportunity to support nonprofit programs with their time and service. Meet some of our employees who are ["Part of Our Community" here](#) and see the many ways Eversource encourages employees to ["Build Healthier, Stronger Communities" here](#). Each year through our United Way Campaign, Eversource and our employees together donate more than \$2 million to make a significant difference in the lives of our customers, neighbors and friends served by United Way agencies in New England.

Community Outreach

Communications and open dialogue with customers and key stakeholders is a vital component of the work we perform every day. Eversource regularly works with community leaders, public officials, health and human service administrators and educators on critical issues facing the community.

For transmission construction projects that impact our communities, Eversource supplements these efforts by keeping our customers, communities, and state and local leaders informed through a variety of mechanisms, including meetings with local and other elected officials, mailings, door-to-door outreach, project web pages, dedicated toll-free numbers and email addresses, and public open houses.

Through our Community Relations group, Eversource now provides community impact grants to smaller organizations that have a particular importance and impact in the communities we serve.

Eversource also provides school outreach programs in our service territory, offering third through sixth grade teachers the option to receive free activity books and lesson plans around electric and gas safety and energy efficiency.

Positive Economic Impact

Eversource contributes to the success of our region and actively partners with local New England leaders to recruit new businesses and boost our area economies. In 2016, we were an active participant in multiple economic development initiatives in Connecticut, Massachusetts and New Hampshire. These initiatives included extensive construction projects that allowed major companies to expand, sponsorships of organizations that support economic development, and the purchase of tax credits, all benefiting the communities we serve.

Eversource presently participates in three different tax credit programs in Connecticut, offering an incentive for businesses to support community programs. Over the past 17 years, we have contributed close to \$149 million to affordable housing in Connecticut by utilizing these tax credits. In 2016 alone, Eversource invested nearly \$39 million dollars in tax credits. The State of Connecticut Housing Trust Fund estimates that a \$10 million investment would create 1,290 jobs, 750 housing units, \$120 million in additional housing development, and nearly \$42 million in wages paid on an annual basis.

We also support economic development by sponsoring major events, including the New Hampshire Annual Economic Development Summit and the Governor's Economic Development Summit. We support dozens of Chambers of Commerce throughout New England and provide more than \$1.3 million in funding to various economic development groups throughout New England. We are actively involved in organizations such as the Connecticut Economic Resource Center, Connecticut Main Street Center Inc., Massachusetts Alliance for Economic Development, Economic Development Council of Western Massachusetts, Business and Industry of New Hampshire, and the New Hampshire Economic Development Association. The goal of all of these organizations is to help boost the economies of New England.

Eversource Economic Benefit

	2012	2013	2014	2015	2016
Donations	4.6 Million	\$5.2 Million	\$4.8 Million	\$4.7 Million	5.1 Million
Employees*	8,842	8,697	8,248	7,943	7,762
Taxes Paid	\$420 Million	\$559 Million	\$616 Million	\$643 Million	\$646 Million

**Employee numbers are approximate as of end of year, excluding temporary employees, and reflect organizational synergies achieved over time.*

OUR PEOPLE

Safety

At Eversource, our shared commitment to “Safety First and Always” is a principle and a mindset we weave into the fabric of every job and every task—whether in the field or in the office. We are a successful organization only if our employees go home safely every day, which is why we are proud of our safety and wellness record at Eversource.

Our work practices protect our employees, contractors and the general public from safety hazards, particularly those hazards inherent in the electric and gas utility industries. Suppliers performing work for Eversource must maintain and adhere to both the letter and spirit of safety laws, and industry-appropriate safety and occupational health standards and practices in the performance of their work. Please [visit our website](#) to learn more about our residential safety programs and to view important safety [videos](#).

Eversource implemented and achieved a number of key safety milestones and initiatives for employees, contractors and our communities in 2016:

Employee Safety

- [Safety Performance](#) - Eversource reduced DART (Days Away Restricted or Transferred) injury rates by 20 percent over the previous year; achieved best safety performance in the past five years and first quartile DART performance.
- [PMVA \(Preventable Motor Vehicle Accidents\)](#) - Eversource reduced rates by more than 25 percent over the previous year; achieved best safety performance in the past five years and first quartile PMVA performance.
- [Reduction of Soft Tissue Injuries](#) - Implemented a comprehensive ergonomic system to address the leading cause of our injuries, soft tissue injuries resulting from acute and chronic conditions. Ergonomic system teaches employees how to safely use their bodies for the physical demands at work and at home, and increases flexibility to prevent soft tissue injuries.
- [Safe Driving](#) - Focus placed on safe driving, including programs on Decision Driving and Smith Systems principles, driver ridealongs and online defensive driving training. Also began leveraging telematics of GPS to monitor driver behavior and coach as appropriate; led to 24 percent improvement in safe driving behaviors.
- [Work Zone Traffic Control](#) – Enhanced work zone traffic control techniques to protect field workers, including use of vehicle barriers, arrow boards, enhanced lighting and portable rumble strips.
- [Improving Human Performance \(HP\)](#) - Focus on HP related to switching, tagging and testing activities. Through HP training, review of switching tapes, formal pre-switch briefs and field audits, saw 35 percent reduction in HP errors in 2016 from 2015.

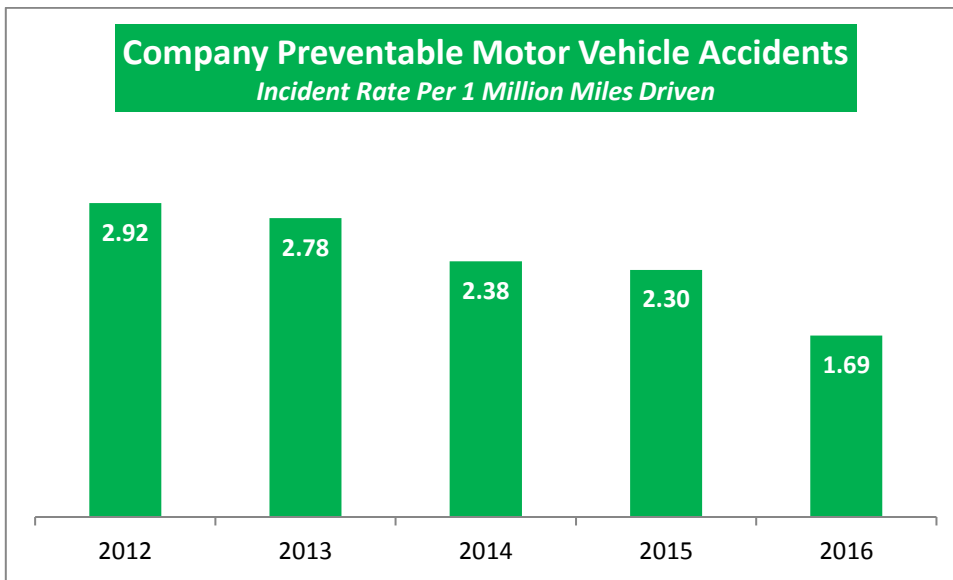
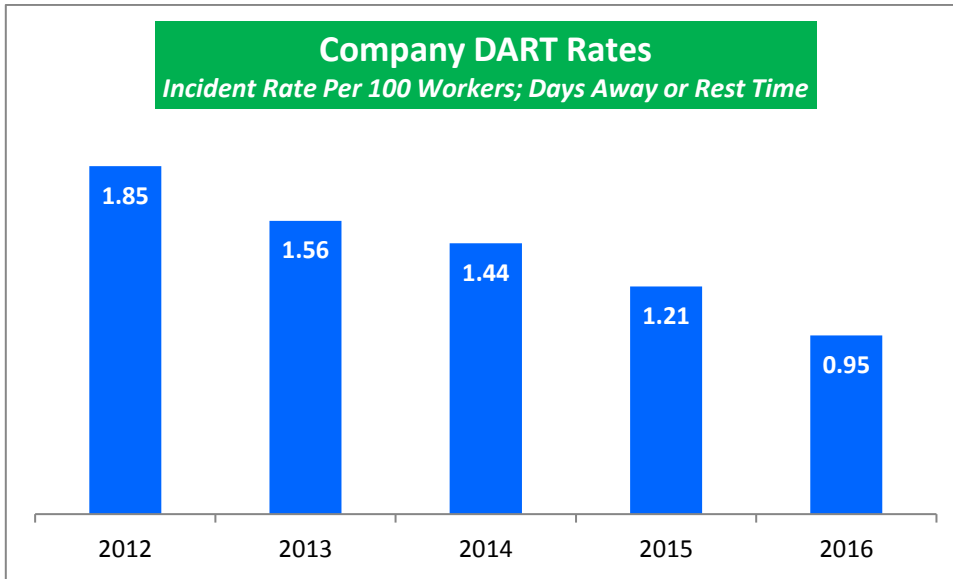
Contractor Safety

- Eversource continued providing a leadership role within the Edison Electric Institute (EEI) to improve contractor safety performance, and includes membership on the executive board of the ETD OSHA partnership and semi-annual Contractor Safety Summits with electrical contractors from around the country. We utilize EEI’s Contractor Management process to provide a consistent method for evaluating and selecting prospective contractors.
- Throughout the year, we conducted Safety Summits regularly for our key electrical, gas, tree and civil contractors where we reinforced our safety expectations, reviewed system and industry events, discussed lessons learned, and allowed for contractors to exchange safety information and best practices amongst their peers.

Community Safety

- We conducted numerous electrical safety presentations for first responders and emergency management personnel throughout our service territory. A highlight is the “Live Line Demo” trailer, which allows participants to see first-hand demonstrations of the risks inherent in working on or near electrical equipment. Eversource provides a best-practice school outreach program in all three states, offering third through sixth grade teachers the option to receive free activity books and lesson plans around electric and gas safety. The program includes a children’s e-learning web site with videos and activities.

- In accordance with recommendations of various regulatory bodies and public health organizations, we reduce electric and magnetic fields associated with new transmission lines by the use of designs that can be implemented at a modest cost.




Current and historical DART & PMVA performance data are available [here](#).

Workforce Investment

Employee Engagement

Eversource recognizes that an engaged workforce is critical to our mission of delivering reliable energy and a superior customer experience. Eversource leaders strive to create employee engagement through continuous communication, developing talent, fostering teamwork and creating a diverse, inclusive workplace. To support these efforts, we conduct a bi-annual Employee Engagement Survey. The survey identifies areas of high performance and areas for continued focus going forward. In our 2016 survey, employees continued to tell us that they like their work and what they accomplish,



believe we take “safety first and always” seriously, and that they have a clear understanding of our customer needs and are always looking for better ways to serve them.

Based on the survey results, we continued the “Our Business, Our Future” training program, which provides business-specific knowledge and information to our entire organization. More than 70 percent of employees have participated in this program.

Key employee engagement action items include efforts to improve collaboration, providing improved tools and resources for employees to do their work, and to improve communication, especially by increasing senior management visibility. Additionally, we conducted in-depth employee focus groups and developed a corporate-level action plan to make further improvements to our employee experience. This includes opportunities for two-way communication with leaders, a “Walk in My Shoes” program for employees to learn about other departments, and updating our onboarding program for new hires and their managers.

We are proud to recognize employees who provide customer experience through our Customer Excellence Award, which recognizes employees who demonstrate a commitment to go “above and beyond” their job requirements for our customers. In 2016, there were 11 Customer Excellence Award ceremonies for 23 recipients across all three states. As part of the award, winners may designate a charity to receive a company donation on their behalf.

In 2016, we expanded our supervisor effectiveness programs, which are designed to develop new and existing supervisors so that they can lead and deliver the performance necessary to achieve our organizational goals. These programs include:

- SuperVISION - An education program open to newly hired supervisors consisting of three modules: Business and Leadership, Craft/Field, and Systems training. Eighty-one attendees participated in 2016
- Supervisor Forums – Open to all Eversource supervisors, quarterly forums provide opportunities to stay updated on company-wide initiatives and learn about topics important to employees. In 2016, 790 attendees participated.
- Electric & Gas Supervisor Cohort Programs – This two-year comprehensive development program is designed to attract, develop and retain future leaders to ensure a pipeline of qualified supervisors to meet our future talent requirements. This program consists of three primary modules: business and leadership development, technical training, field observations, rotational assignments and final apprenticeship. Over the last two years, 26 supervisors have participated in this program.

Workforce Planning

Strategic workforce plans are developed every year as part of the annual business planning process to identify long-range needs to ensure that we acquire, develop and retain diverse, capable talent. This includes leveraging educational partnerships in critical craft areas and developing proactive sourcing strategies to attract experienced professionals in highly technical roles in engineering, electric and gas operations, and energy efficiency. As part of this process, we identify critical roles and develop succession plans to ensure we have a capable supply of talent for the future.

Professional Development

Eversource provides employees with a variety of field and classroom training opportunities throughout their career to support their ongoing success on the job, including:

- New employee onboarding to foster a positive and meaningful transition into the company.
- Talent management process to identify high potential and emerging talent and ensure their development. We have retained close to 100% of our key talent over the past two years.
- GOLD (Growth Opportunity Leadership Development) Program. In 2016, 40 participants began this program, which provides educational and professional development opportunities for employees who are recent college graduates.
- Through our tuition assistance program, Eversource shares the costs of continuing education for professional development and career growth.
- We offer paid internships partnering with local educational institutions to provide on-the-job learning opportunities.

To learn more, please visit the [Careers](#) section of our website.



Military and Veteran Support

As a long-time supporter of military and veteran employees, we are committed to hiring veterans who can make an important contribution to the success of our organization.

We support “[Troops To Energy Jobs](#),” through our membership with the Center for Energy Workforce Development, and are also partners with Recruit Military. A long-time supporter of military and veteran employees, we have programs devoted specifically to veterans transitioning into the civilian workforce. To find out more, please visit our [website](#).

Diversity and Inclusion

Creating a diverse, inclusive and respectful workplace brings us together to leverage different thoughts and perspectives to meet our customers’ expectations and reach our company goals. A diverse workforce and inclusive culture contributes to our success and sustainability by driving innovation and creating trusted relationships with employees, customers, suppliers and community partners. Eversource’s diversity and inclusion (D&I) strategy is based on a diverse workforce, diverse leadership, engaged employees, diverse suppliers, and philanthropic resources to our diverse communities.

Corporate Diversity and Inclusion Statement

We align our D&I efforts with our corporate mission and organizational business objectives and commit to:

- Creating one inclusive workplace where all employees, customers and stakeholders are respected and valued;
- Leveraging the talent, unique perspectives, cultural and life experiences of every employee to ensure our continued success; and
- Attracting, developing and retaining a diverse workforce that enables us to work together to meet the changing needs of the customers we serve, and deliver reliable energy and superior customer service.

Strategic D&I Planning


Human Resources establishes the D&I strategic plan, direction, and goals, and facilitates the implementation of D&I initiatives in support of business priorities. Eversource’s executive leadership team, led by the CEO, promotes and supports D&I by building diverse, inclusive work teams with high engagement—growing a pipeline of diverse talent, leveraging multiple perspectives to improve customer service, using diverse suppliers, engaging with multi-cultural organizations in our communities, and supporting the work of the D&I state teams. HR works closely with Eversource’s executive leadership team to develop and implement D&I goals and drive accountability for D&I progress throughout the company. Eversource’s Board of Trustees is committed to diversity and inclusion, and receives regular updates on our progress.

From 2013 to the present, a strategic plan has been in place to advance diversity and inclusion at Eversource. To date, approximately 70 percent of Eversource employees have participated in a D&I initiative, activity or event. Our plan includes measures and goals to track performance in the areas of improving workforce diversity (promotions and hires of diverse leadership, diverse candidate slate, and diverse new hires), building an inclusive workplace, increasing supplier diversity, and committing resources to the diverse communities we serve.

Diversity and Inclusion Corporate Council, State Teams, and Business Resource Groups

Eversource’s D&I Corporate Council, state teams, and Business Resource Groups (BRGs) are comprised of employees based in Connecticut, Massachusetts and New Hampshire who serve as change agents and champions of D&I. Members of the Council, teams, and BRGs help to identify and recommend strategies and actions to build an inclusive workplace, diversify the workforce, improve customer service, increase supplier diversity, and provide support to our diverse communities. Members of these groups reflect and represent the diverse needs and perspectives of our customers and stakeholders across the geographic areas we serve.

Nearly 1,000 employees across all three states are involved in our BRGs and we continue to evolve and expand these employee resource groups. Women BRGs have been launched to provide educational, networking, and mentoring opportunities to help women reach their full potential. In 2016, the Women BRGs launched a mentoring program and



offered confidence-building and interpersonal communication workshops. Additionally, New Hire BRGs continue the defined mission and purpose to host educational events on current business topics.

Ambassador Program

Our Ambassador Program helps new employees more quickly and positively acclimate to the Eversource culture. Volunteer employee Ambassadors support a newly-hired employee through a 90-day, ongoing, one-to-one relationship and help the newly-hired employee navigate the organization's procedures and protocols more smoothly and efficiently. We have 160 Ambassadors paired with more than 200 new hires—and we continue to build on this popular program.

Diversity and Inclusion Week

Since 2015, Eversource has celebrated with a dedicated week to create awareness of diversity and inclusion as one of Eversource's core values while educating employees about the importance of diversity and inclusion to our business. A D&I toolkit, comprised of articles, videos, activities and discussion exercises, was developed and distributed to leadership for use during the week and beyond. In 2016, the D&I state teams organized and delivered more than 50 D&I presentations and engagement sessions to field workers and corporate departments, reaching well over 3,000 employees in our area work centers and corporate locations.

To learn more about our diverse supplier efforts, please visit our [Sustainable Supply Chain](#) section.

Employee Wellness

Eversource Wellness & Fitness Services is a comprehensive initiative to encourage employees and their families to adopt and maintain healthy lifestyle habits. Services available to all Eversource employees include:

- Resources to learn about making and maintaining positive changes through a health risk assessment, fitness activities, on-site programs, events and screenings, disease management programs, self-guided activities and the use of an online wellness portal.
- An online wellness portal to track personal health and wellness data, cheer on and even compete with friends.
- Incentives to help keep participants motivated. Cash and non-cash incentives such as gift cards, fitness and wellness gadgets, are awarded to participants throughout the year.
- Support to help make changes and maintain a healthy lifestyle in an encouraging environment.
- Fitness Centers located onsite at three Eversource locations open 24 hours a day, seven days a week. All members enjoy free personalized workout programs and classes delivered by highly qualified personal trainers.

In 2016, 43 percent of eligible employees enrolled in the online wellness portal and 47 percent went on to complete the incentive program to receive their \$200 incentive. The Wellness Team delivered 205 health education programs and events at Eversource locations throughout Connecticut, Massachusetts and New Hampshire with nearly 6,200 participants. They also held 31 flu shot clinics with 1,334 participants and 15 biometric screenings with just over 600 participants.

MATERIAL ISSUES

In 2016, Eversource completed a comprehensive review of material aspects identified through existing processes that have potential environmental, social or economic impact related to our business practices. Additionally, we validated who our key stakeholders are, how we engage with them and consider their expectations in our strategic planning processes. Lastly, we benchmarked our material aspects against industry peers and stakeholder groups to identify additional relevant topics for inclusion in our report.

We have robust processes in place to regularly assess risks and opportunities, emerging issues and stakeholder concerns. These include aspects that our Disclosure Committee determines are material to investors for inclusion in our financial reports, significant issues identified through our Enterprise Risk Management process, as well as our senior team priorities and key performance indicators. Our sustainability team reviewed all of these sources against the GRI G4 framework to define our material aspects and their scope through a sustainability lens to facilitate reporting.

Continuous engagement with external stakeholders is vital to the success of our business. These important relationships inform internal discussions and guide our planning and anticipation for stakeholder expectations. From shareholder meetings, community outreach, and customer satisfaction surveys to social media, project partnerships and regulatory proceedings, we hear the voice of our stakeholders and incorporate their concerns into our planning and decision processes.

Following is a list of our material sustainability aspects, their scope and boundary. We determined that ranking of these aspects is not pertinent, as their relative importance can change based on current events, and all are addressed in our business processes and in our sustainability report.

The use of the term "materiality" in this report differs from financial materiality, which is a term that describes matters or facts that could be deemed important to a reasonable investor making an investment decision.

Material Aspects	Aspect Scope (Including, but not limited to)	Aspect Boundary
Community Engagement	Activities benefitting the communities we serve <ul style="list-style-type: none"> • Corporate giving • Volunteerism • Economic benefit • Community outreach 	<ul style="list-style-type: none"> • Entire company focus • Service territory communities • Select external stakeholder groups
Customer Satisfaction	Meeting customer expectations for delivering reliable energy and superior customer service <ul style="list-style-type: none"> • Customer communications • Problem resolution mechanisms • Outage restoration • Billing options • Energy affordability 	<ul style="list-style-type: none"> • Entire company focus • Customers, regulators
Cyber Security & Data Protection	Ensuring the security of customer and employee data, computer systems, grid infrastructure, and physical assets. Includes protection against: <ul style="list-style-type: none"> • Disclosure of confidential information • Cyber breaches • Grid disturbances • Acts of war or terrorism 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, investors, regulators, legislators

Emergency Preparedness	<p>Our comprehensive emergency preparedness and response</p> <ul style="list-style-type: none"> • Preparation for all hazards • Storm response • Outage management • Stakeholder communications/partnerships 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators
Energy Efficiency	<p>Providing energy efficient solutions for our customers and maximizing energy efficiency in our own operations</p> <ul style="list-style-type: none"> • Electric and gas programs offered to residential and business customers and communities • State partnerships • Facility improvements 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators
Environmental Accountability	<p>Conducting business in a manner that protects and enhances the environment and fosters environmental stewardship</p> <ul style="list-style-type: none"> • Environmental compliance • Water quality • Air quality • Waste management • Remediation programs 	<ul style="list-style-type: none"> • Entire company focus • Regulators • Service territory communities • Select external stakeholder groups
Ethics	<p>Demonstrating inclusive, respectful, honest and ethical behavior</p> <ul style="list-style-type: none"> • Principles that govern our business • Corporate compliance • Diversity and Inclusion 	<ul style="list-style-type: none"> • Entire company focus • Investors, regulators
Finance	<p>Meeting and exceeding performance targets while driving efficiency and managing costs</p> <ul style="list-style-type: none"> • Shareholder return • Business growth • Rate structure • Financial reporting requirements • Operational and capital expenditures 	<ul style="list-style-type: none"> • Entire company focus • Investors
Fuel Diversity	<p>Integrating diverse power supply into our delivery system</p> <ul style="list-style-type: none"> • Integration of renewable power • Lower carbon solutions • Fuel availability • Infrastructure development 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators, investors
Greenhouse Gas Emissions	<p>Supporting regional initiatives to reduce greenhouse gas emissions</p> <ul style="list-style-type: none"> • Facilitating integration of renewable and low carbon energy in the region • Expanding natural gas capacity • Actions to reduce GHG emissions in our operations 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, investors, regulators, legislators

Innovation & Technology	<p>Transforming to the Utility of the Future by implementing emerging technologies</p> <ul style="list-style-type: none"> • Grid modernization • Alternative fuel vehicles • Reliability • Process management systems • Customer engagement and energy management 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators
Regulatory Policy	<p>Adhering to regulatory requirements and driving energy policy</p> <ul style="list-style-type: none"> • Regulatory compliance • Utility of the Future • Project development and approval • Cost recovery 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators
Reliability	<p>Delivering reliable energy</p> <ul style="list-style-type: none"> • System hardening • Reliability and resiliency initiatives • Vegetation management 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators
Renewables	<p>Supporting renewable energy investments</p> <ul style="list-style-type: none"> • Renewable power procurement • Transmission projects to bring cleaner energy to the region • System improvements to enable integration of renewable power 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators, legislators
Safety	<p>Safety first and always</p> <ul style="list-style-type: none"> • Employee, contractor and public safety • Electric and magnetic fields 	<ul style="list-style-type: none"> • Entire company focus • Customers, service territory communities, regulators
Supply Chain	<p>Managing our supply chain</p> <ul style="list-style-type: none"> • Supplier diversity • Supplier management systems • Material management processes 	<ul style="list-style-type: none"> • Entire company focus • Service territory communities • Select external stakeholder groups
Workforce Development & Employee Engagement	<p>Maintaining an engaged and skilled workforce</p> <ul style="list-style-type: none"> • Attract and retain high quality employees • Employee training and development programs • Succession planning • Labor relations 	<ul style="list-style-type: none"> • Entire company focus • Service territory communities • Select external stakeholder groups