



# 2020 First Quarter Results

**EVERSOURCE**  
ENERGY



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## **Eversource Executing Its Business Plan and Serving 4 Million Customers During COVID-19 Crisis**

- Extensive efforts to protect employees, moving to remote working, hygienically cleaning facilities and fleet, promoting social distancing
- Essential field work continues with states exempting utility work from statewide business restrictions
- Since early March, approximately 4,000 employees normally working in ES facilities successfully redeployed to work remotely, including vast majority of customer service representatives
- Emergency response tested during March 23-24 snowstorm in New Hampshire that caused 56,000+ customer outages and intense nor'easter that battered our service territory on April 13 and caused 240,000 outages
  - Power back within 24 hours for vast majority
- Moratorium on customer shut-offs in all states, unless safety issue
- No significant supply issues
- Very positive feedback from customers and key policymakers

## Eversource's Total Shareholder Return Has Outperformed Significantly in Both the Short and Long Term

| Total Shareholder Return | YTD<br>April 30,<br>2020 | 2019         | 3-Year*      | 5-Year*      | 10-Year*      |
|--------------------------|--------------------------|--------------|--------------|--------------|---------------|
| <b>Eversource</b>        | <b>-4.6%</b>             | <b>34.4%</b> | <b>68.7%</b> | <b>85.8%</b> | <b>356.7%</b> |
| EEI 40-Company Index     | -11.2%                   | 25.8%        | 45.7%        | 64.4%        | 214.0%        |
| S&P 500                  | -9.3%                    | 31.5%        | 53.2%        | 73.9%        | 256.7%        |

\*3-year, 5-year, and 10-year for periods ended 12/31/19

## Current Rate Cases

### PSNH

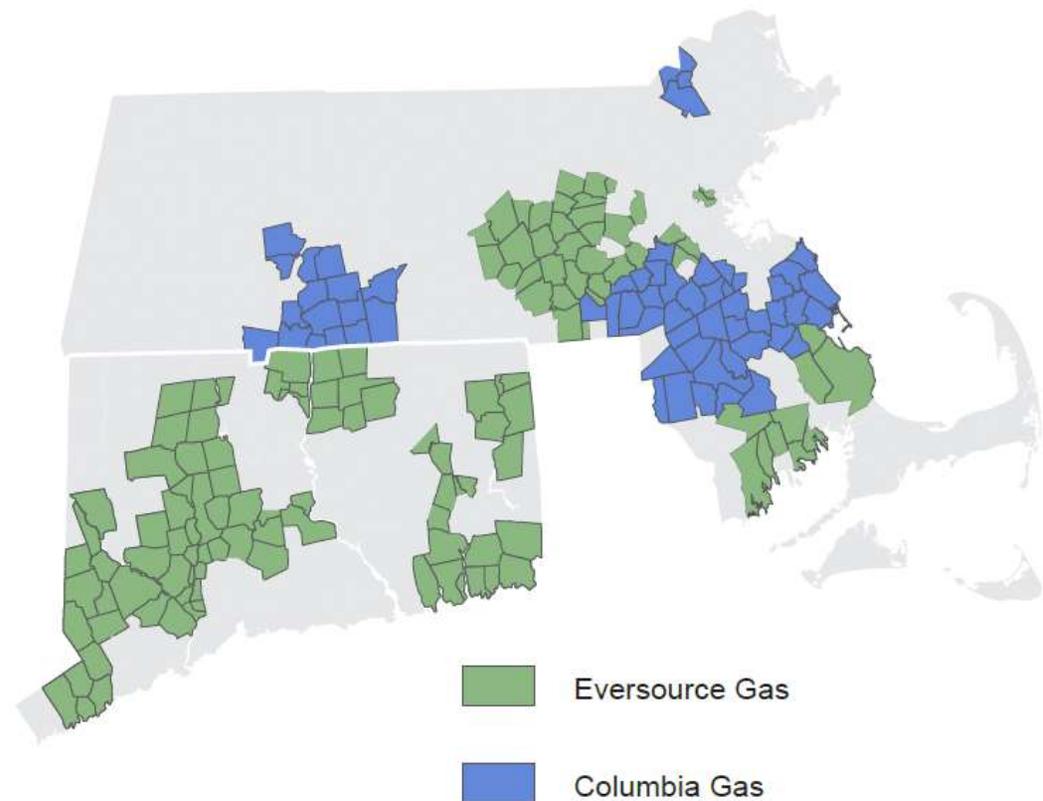
- PSNH filed a general rate case to raise annual base distribution rates by approximately \$70 million on a permanent basis, effective 7/1/20, including an increase sought on a temporary basis
  - On 6/27/19, after settlement with Staff, the NHPUC allowed PSNH to raise annual distribution rates by \$28 million on a temporary basis, effective 7/1/19, until decision on permanent rates is effective. Once permanent rates are approved, revenues will be reconciled back to 7/1/19.
- NHPUC-reported Distribution ROE for 2019: 8.07% (9.67% authorized)
- Staff recommendation: \$24.4 million increase, 8.25% ROE and 50% equity ratio
- Emergency order on 4/24/20 delays rate decision until as late as November 2020. Temporary rates to remain in effect until permanent rates are implemented

### NSTAR Gas

- On 11/8/19, NSTAR Gas filed a rate request seeking a \$38 million base rate adjustment, effective 10/1/20
  - Request includes a proposed Performance Based Rate (PBR) mechanism (tied to a 5-year stayout)
  - PBR adjustment includes inflation plus approximately 1.3% adder
- First general rate review since 2014
- Proposed authorized ROE: 10.45%; capital structure 54.85% equity; 45.15% long-term debt
- AG recommendation: Between 8.25% and 8.50%
- ROE reported to the DPU for 2019: 7.40%
- Final decision expected by October 30, 2020; rates effective November 1, 2020

## Eversource to Acquire MA Natural Gas Assets of NiSource

- \$1.1 billion in cash (~1x rate base)
- Financing to be consistent with existing ES capital structure
- No assumption of debt
- Expected to be accretive over first 12 months and incrementally accretive over following years
- DPU key approval required
- Closing expected by end of Q3 2020



## Eversource Has Completed Several Financings This Year

- ES parent sold \$350M of 30-year notes in January
- NSTAR Electric sold \$400M of 10-year “Green Bonds” in March
- ES closed on the remaining nearly \$420M of its June 2019 forward sale arrangement in March
- NSTAR Gas closes today on \$190M of 5-year and 30-year bonds
- Remaining maturities for 2020 total only \$25M
- Primary remaining financing activity is to raise \$1.1 billion of equity and debt to acquire Columbia Gas of MA assets
- Commercial paper rates continue to trend favorably:
  - ES Parent weighted average Q1 2020 rate was 2.09% vs. 2.73% in Q1 2019
  - NSTAR Electric weighted average Q1 2020 rate was 1.49% vs. 2.49% in Q1 2019

## Q1 2020 vs. Q1 2019 Financial Results

|  | Q1 2020 | Q1 2019 | Change |
|--|---------|---------|--------|
| Electric Distribution                  | \$0.39  | \$0.38  | \$0.01 |
| Electric Transmission                  | 0.38    | 0.37    | 0.01   |
| Natural Gas Distribution               | 0.25    | 0.24    | 0.01   |
| Water Distribution                     | 0.01    | 0.00    | 0.01   |
| Parent & Other (Non-GAAP)              | (0.01)  | (0.02)  | 0.01   |
| EPS (Non-GAAP) exc. Acquisition Charge | \$1.02  | \$0.97  | \$0.05 |
| Acquisition Charge                     | (0.01)  | 0.00    | (0.01) |
| Reported EPS (GAAP)                    | \$1.01  | \$0.97  | \$0.04 |

## 2020 Guidance, Long-Term Growth Rate Intact

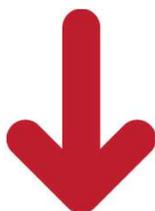
EPS Range \$3.60 - \$3.70

Long-Term Growth 5%-7%

### Key 2020 Earnings Drivers



- Distribution rate increases
- Transmission rate base growth
- Growth in distribution capital tracking programs



- Higher depreciation and property taxes
- Higher interest expense
- Higher share count

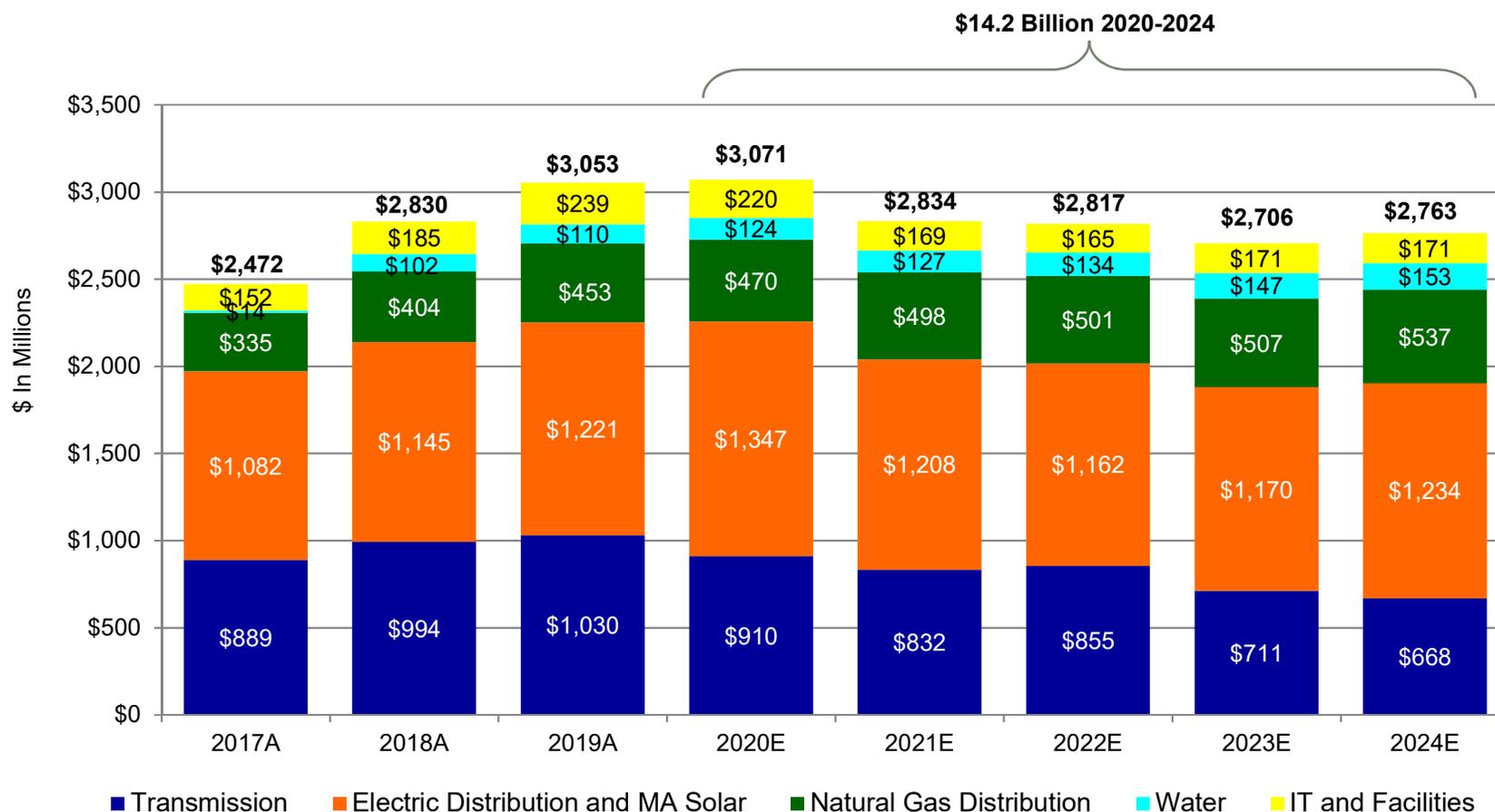
# Expected Timeline For Eversource-Ørsted Projects



|   | <b>South Fork Wind</b>   | <b>Revolution Wind</b>   | <b>Sunrise Wind</b>  |
|---|--|--|--|
| Size  | 130 MW   | 704 MW   | 880 MW   |
| Price as of first day of commercial operation | ~ \$160.33/MWH for 90 MW<br>~ \$86.25/MWH for 40 MW<br>(avg. annual escalator: 2%)   | \$98.43/MWH for RI (no escalator)<br>CT pricing not disclosed                      | \$110.37/MWH<br>(no escalator)   |
| Status of Contracts                           | Negotiating agreement to increase original 90 MW to 130 MW. NY Comptroller and AG approval required  | 400 MW for RI approved<br>304 MW for CT approved                                   | Contract signed with NYSERDA in October 2019   |
| Most Recent Projected In-Service Date         | End of 2022  | End of 2023  | End of 2024  |
| Permitting Status                             | BOEM review of Construction and Operations Plan (COP) application on "pause." NY State hearings delayed 10 weeks until 9/30/20. In-service before 2023 very unlikely | BOEM COP application filed on 3/13/20. Continuing to target end-of-2023 in-service | On-shore and off-shore survey work on hold in NY due to COVID-19. Impact on 2020 COP filing and end-of-2024 in-service better known by late summer |

# APPENDIX

# Projected Capital Expenditures For Core Businesses



# Progress on Major Transmission Reliability Projects

## Eastern MA Transmission Projects

- 22 projects in service; 5 under construction; 1 expected to enter construction in Q2 2021
- Approval of remaining 1 project received in Q4 2019; decision appealed January 2020
- Projected completion: 2023
- Total projected investment: approximately \$750 million
- Investment through March 31, 2020: \$449.9 million

## Hartford-Area Transmission Projects

- 25 of 27 projects now in service
- Two projects under construction
- Projected completion: Q4 2020
- Total projected investment: \$350 million
- Investment through March 31, 2020: \$281.9 million

## Greenwich Substation Project

- All development and management plans approved by CSC
- Projected completion: Fall 2020
- Total projected investment: \$110 million
- Investment through March 31, 2020: \$69.0 million

## Seacoast Reliability Project

- New 13-mile project between Portsmouth and Madbury, NH
- Construction began in May 2019
- Projected completion: Q2 2020
- Total projected investment: \$125 million
- Investment through March 31, 2020: \$103.7 million

## Key Facts About Columbia Gas of MA

|                                      |                                   |
|--------------------------------------|-----------------------------------|
| Number of customers                  | ~330,000                          |
| Communities served                   | 65 (~20 served by NSTAR Electric) |
| Allowed ROE in most recent rate case | 9.55%                             |
| Average net income 2016-2017         | \$32 million (non-GAAP)           |
| Average cap ex 2016-2017             | \$124 million                     |
| Owned LNG storage                    | 1.83 bcf                          |
| Customer growth rate (2018-2019)     | 1.4%                              |
| Total miles of main                  | ~5,000                            |