



# **2020 EEI FINANCIAL CONFERENCE**

**November 9-11, 2020**



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Other risk factors are detailed in Eversource Energy's reports filed with the Securities and Exchange Commission (SEC). They are updated as necessary and available on Eversource Energy's website at [www.eversource.com](http://www.eversource.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). All such factors are difficult to predict and contain uncertainties that may materially affect Eversource Energy's actual results, many of which are beyond our control. You should not place undue reliance on the forward-looking statements, as each speaks only as of the date on which such statement is made, and, except as required by federal securities laws, Eversource Energy undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

# Eversource is the Largest New England Utility and 1 of the 10 Largest in the United States

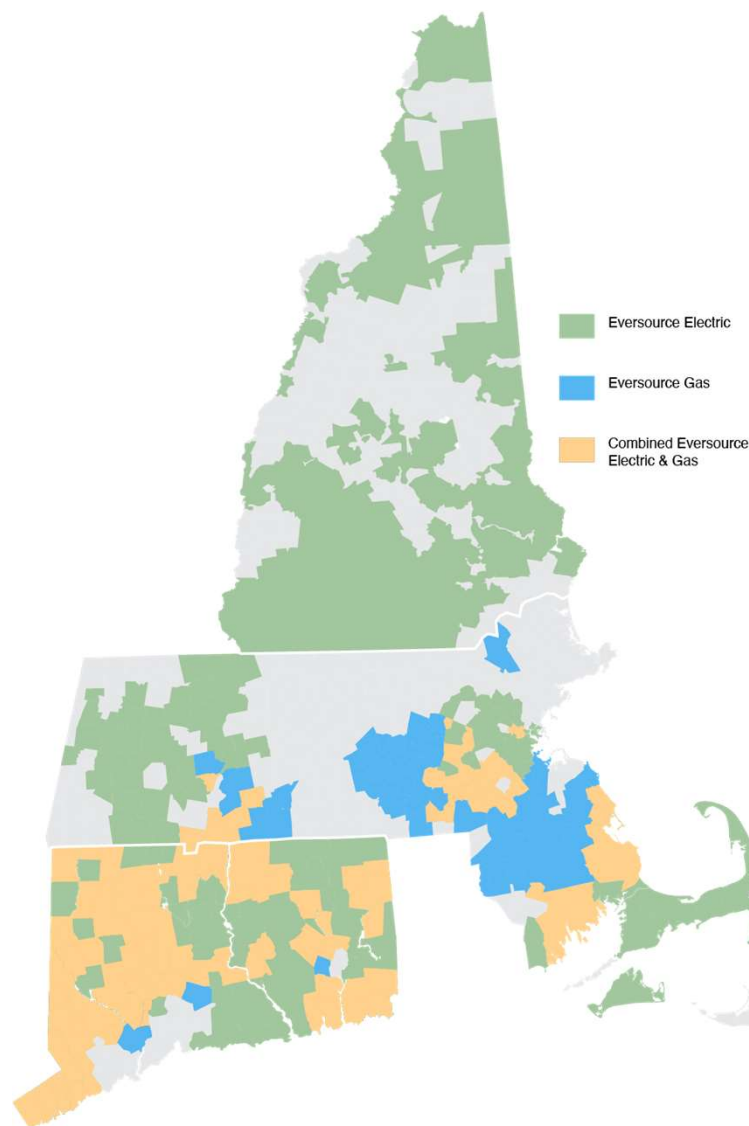
## Eversource

Electric Customers 3.22 million

Natural Gas Customers 880,000

Water Customers 220,000

Employees 9,000

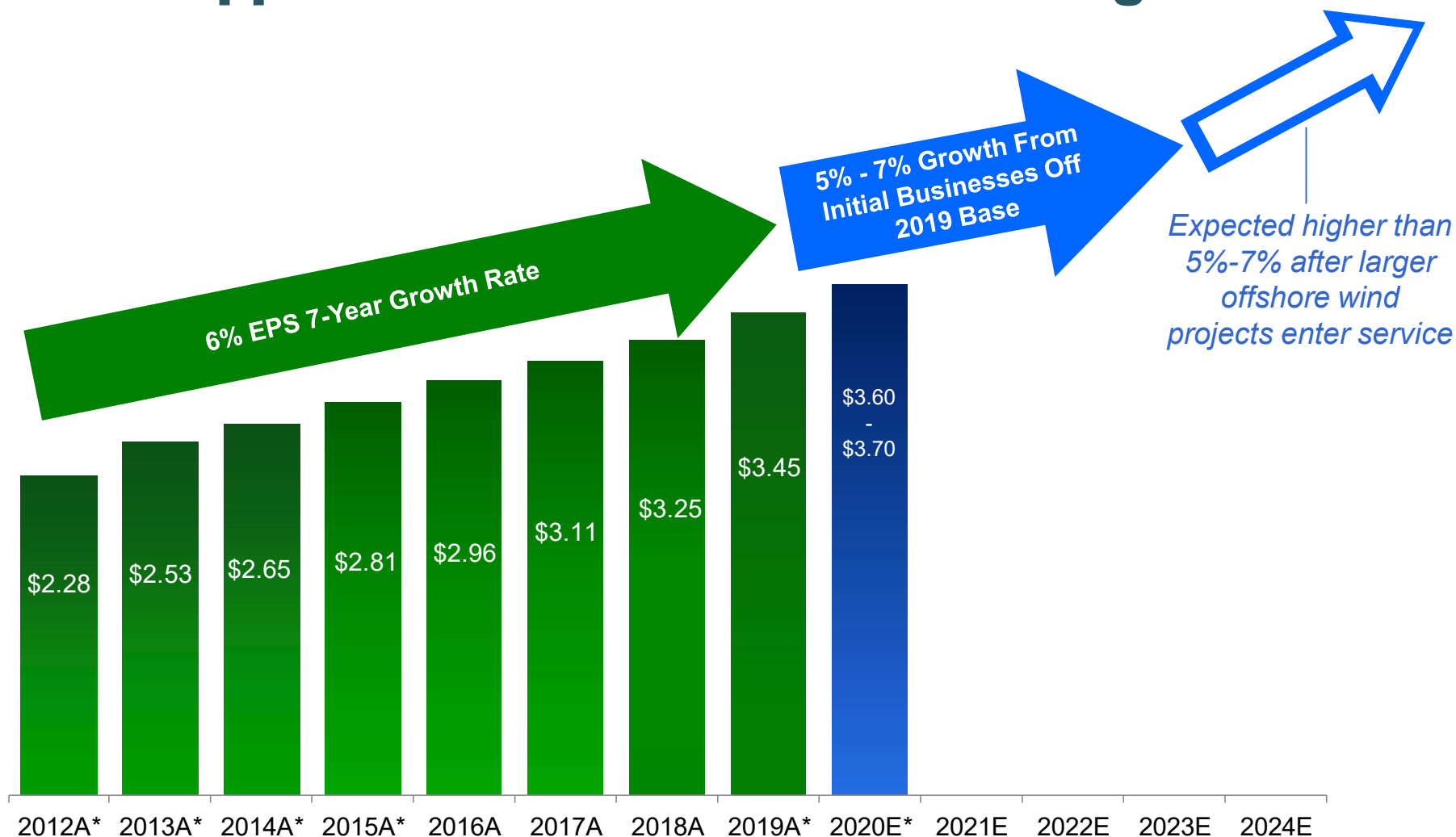


## Eversource's Total Shareholder Return Has Outperformed Significantly in Both the Short and Long Term

Total Shareholder Return	YTD Oct. 31, 2020	2019	3-Year*	5-Year*	10-Year*
<b>Eversource</b>	<b>4.7%</b>	<b>34.4%</b>	<b>68.7%</b>	<b>85.8%</b>	<b>356.7%</b>
EEl 39-Company Index	-2.8%	25.8%	45.7%	64.4%	214.0%
S&P 500	2.6%	31.5%	53.2%	73.9%	256.7%

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

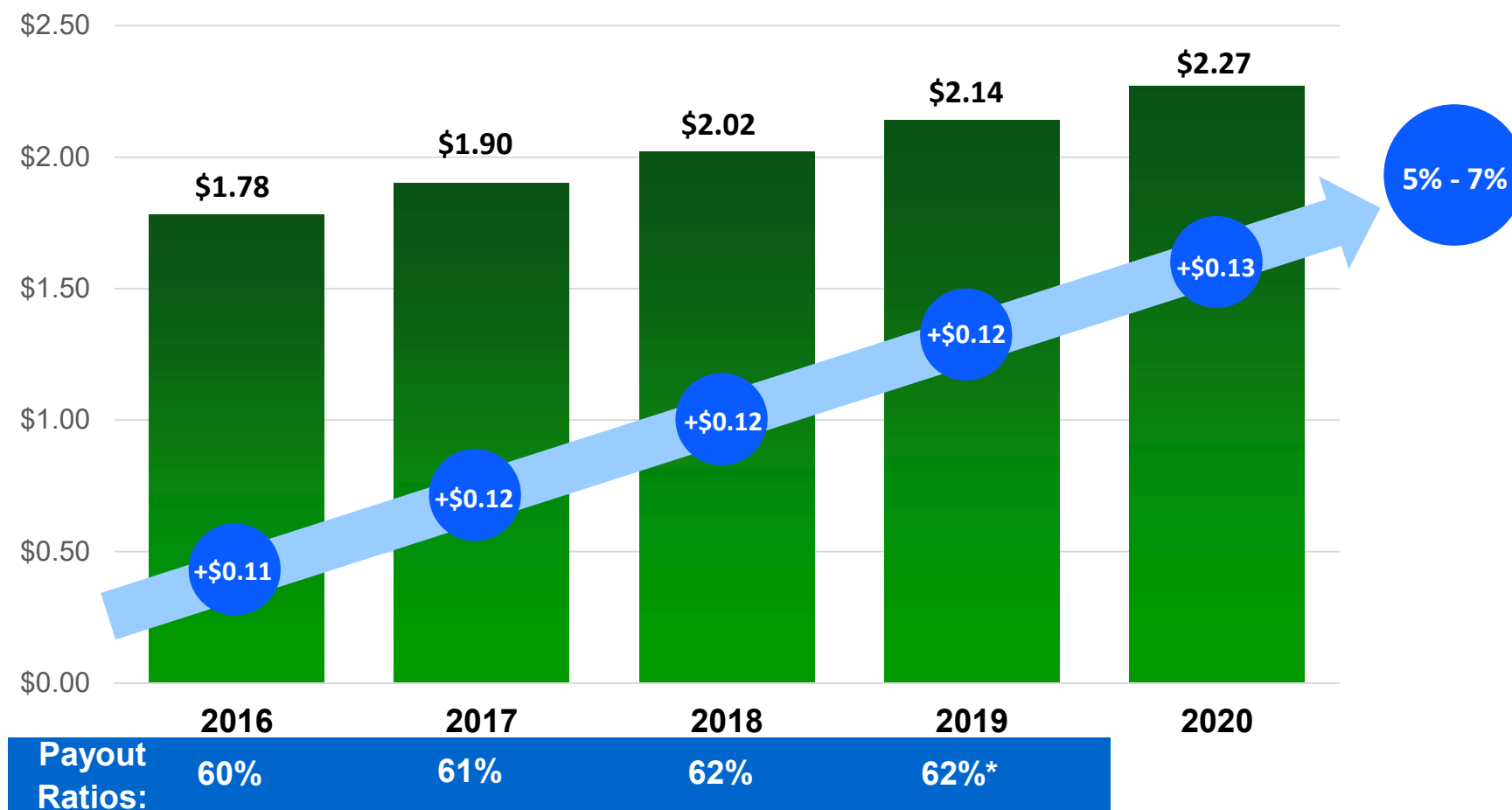
# Eversource Gas of MA Earnings Expected to Supplement 5-7% EPS CAGR through 2024



\*Excludes merger and integration costs in 2012-2015, NPT charge in 2019, and acquisition and integration costs in 2020

# Dividend Growth Continues to Outperform Peers

## Annualized Dividend



\*Excludes charges related to NPT in 2019

## 2020 Guidance, Long-Term Growth Rate Intact

EPS Range \$3.60 - \$3.70\*

Long-Term Growth 5%-7%

### Key 2020 Earnings Drivers



- Distribution rate adjustments
- Transmission capital investments
- Distribution capital tracking programs



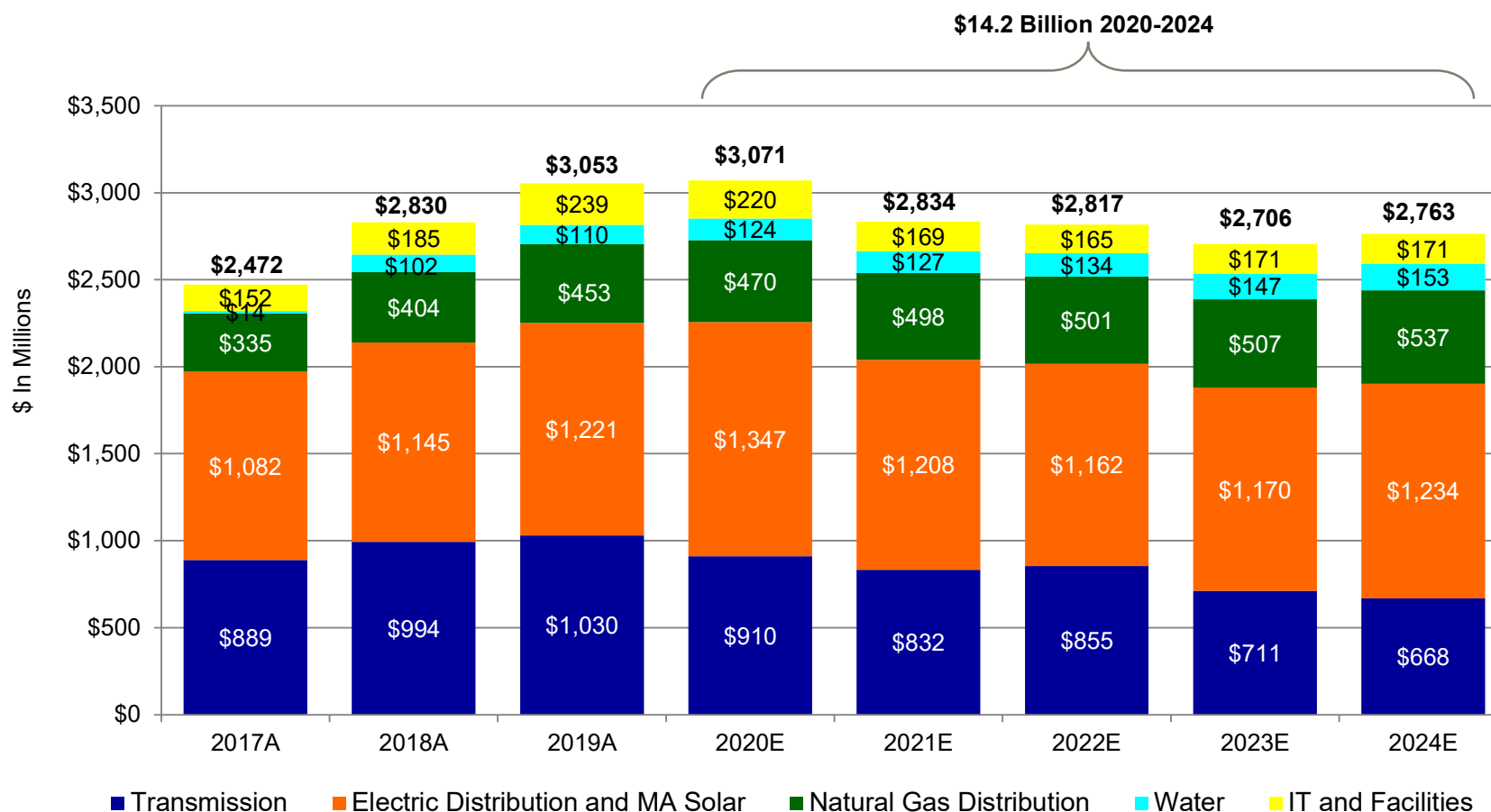
- Higher depreciation and property taxes
- Higher interest expense
- Higher share count

\*Excludes costs associated with the acquisition of assets of Columbia Gas of Massachusetts

# **Regulated Utility Capital Investment Program**



# Projected Capital Expenditures For Core Businesses



Note: Projections exclude Eversource Gas of MA

# **We Plan to Update 5-Year Cap Ex Plan Through 2025 During Year-End 2020 Earnings Call**

## **Key Expected Changes**

- Adding Eversource Gas Company of MA capital program
- Annual updates for electric, natural gas and water distribution
- Electric Transmission update to reflect refined cost estimate, completion of several projects, and additional projects identified as needed for reliability since the beginning of 2020
  - Seacoast, Hartford area and Greenwich substation projects placed in service in 2020
  - Investment in 12 upgrades in southeastern Massachusetts (SEMA projects) to be updated in February 2021 forecast—capex now expected to be \$175 million
- New MA legislation allowing expansion of utility-owned solar generation
  - Has been enacted in the House; awaiting conference committee
  - Allows utilities to own up to 10% of solar amount on its system –300 MW (230 MW additional) permitted for NSTAR Electric
- Update for new 3-year MA Grid Mod Plan (2022-2024)
  - Schedule in CT grid mod docket currently unclear

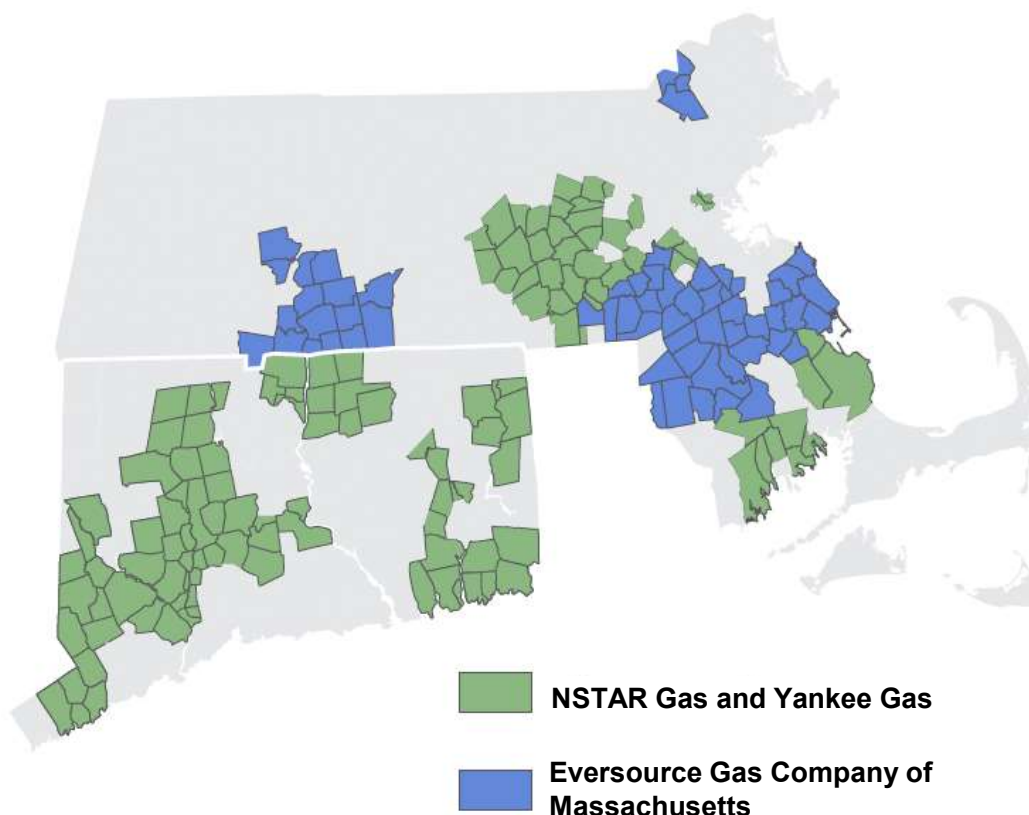
# Eversource Has Acquired MA Natural Gas Assets of NiSource

## Transaction Details

- Transaction closed on October 9
- All-cash \$1.1 billion\* transaction (1.1x rate base)
- Transaction pre-financed; equity sold in June; debt in August
- Expected to be accretive over first 12 months and incrementally accretive over following years

## Company Details

- Number of customers: ~ 330,000
- Communities served: 65 (~ 20 served by NSTAR Electric)
- Owned LNG storage: 1.83 bcf
- Annual customer growth rate (2018-2019): 1.4%
- Total miles of main: ~5,000



\*Excludes working capital adjustments

## **Key Elements of Settlement Approved by MA DPU on October 7**

- Joint settlement with MA AG, DOER, NiSource and low-income network
- Eight-year rate plan
- Day One rate base of approximately \$1 billion
- Authorized ROE: 9.7%
- Authorized equity in capital structure of 53.25%
- General rate increases of \$13 million on 11/1/21 and \$10 million on 11/1/22
- GSEP-related rate changes continue annually (pipe replacement rate under GSEP to continue at 45 miles/year)
- Report on status of Eversource Gas of MA system due to the DPU by 9/1/21 with proposed work plan
- Additional base rate adjustments tied to non-GSEP investments on 11/1/24 and 11/1/27
- NiSource paid \$56 million in lieu of penalties:
  - \$41 million to establish a Merrimack Valley Renewal Fund
  - \$15 million for Arrearage Forgiveness

# NSTAR Electric Clean Energy and Grid Modernization Initiatives



## Solar:

- All sites now in service
- 70 MW in operation – enough to power 11,000 homes



## Storage:

- Construction underway on Cape Cod project; permitting continues on Martha's Vineyard project
- Completion expected in 2021 at a combined cost of \$55 million



## EV Infrastructure:

- Executing on \$45 million effort to enable 3,500 new charging ports
- Expected completion by early/mid 2021



## Grid Modernization:

- Approved \$133 million in grid facing investments in visibility and automation
- New 2022-2024 plan expected to DPU by mid-2021

# Key Elements of Eversource's Grid Mod Filing in CT



## AMI

- Recommend a full rollout to all CL&P customers by the end of 2024
- Significant economic, environmental and operational benefits for the state, 1.25 million CL&P customers
- \$500 million capital investment from 2021-2025 with most spending in 2022-2024
- Most CL&P meters currently in the field near the end of their life expectancy

## Electric Vehicle Infrastructure

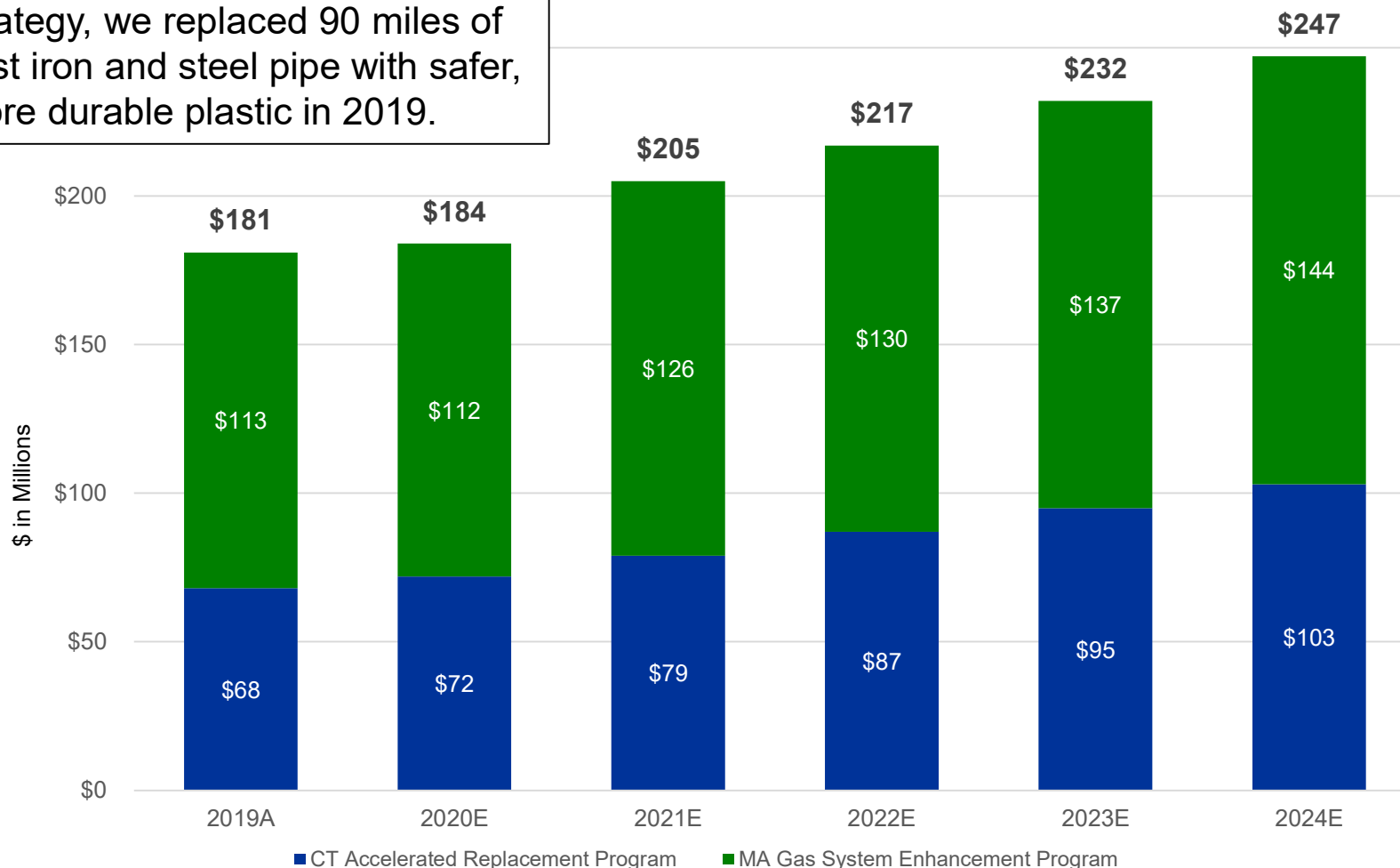
- Rollout to include 3,000 level-2 chargers, 20 DC fast chargers, 2,500 single-family homes
- Three-year rollout, \$55 million program includes \$20-\$25 million of capital
- No utility ownership beyond the meter



# Projected Investment in Pipe Replacements 2019-2024

## All With Timely Cost Recovery

Consistent with our sustainability strategy, we replaced 90 miles of cast iron and steel pipe with safer, more durable plastic in 2019.



Note: Excludes expenditures of Eversource Gas Company of Massachusetts.

## Incremental Investments Expected to Grow Aquarion Rate Base Nearly 3 Times Faster Than Before Eversource Acquisition



\*Reflects rate base reduction due to the closing on July 31, 2020 of the Town of Hingham, MA acquisition of Aquarion MA's assets in Hingham, Hull, and N. Cohasset for approximately \$110 million



# **Eversource Offshore Wind Initiative**

# Offshore Wind – Delivering On The Northeast's Energy & Environmental Policy Goals

## Offshore Wind Benefits

- Improves winter reliability by reducing dependence on constrained pipeline networks
- Significant local and national job creation
- Billions invested in modernizing regions maritime infrastructure
- Near to demand centers
- Utilizes existing transmission infrastructure

## Eversource-Ørsted's Offshore Wind Portfolio



**Power for more than  
2 million homes**



**Reduces GHG  
emissions by more  
than 6 million tons**



**Equivalent to  
removing more than  
1 million cars from  
the road**

# Expected Timeline For Eversource-Ørsted Projects

## South Fork Wind

Powered by  
Ørsted &  
Eversource

### Size:

- 130 MW

### Year 1 Price:

- ~ \$160.33/MWH for 90 MW
- ~ \$86.25/MWH for 40 MW
- (avg. annual escalator: 2%)

### Contract Status:

- Negotiating agreement to increase original 90 MW to 130 MW. NY Comptroller and AG approval required

### Most Recent In-Service Date:

- End of 2023

### Permitting Update:

- BOEM released a review schedule in late August. COP decision due in January 2022

## Revolution Wind

Powered by  
Ørsted &  
Eversource

### Size:

- 704 MW

### Year 1 Price:

- \$98.43/MWH for RI (no escalator)
- CT pricing not disclosed

### Contract Status:

- 400 MW for RI approved
- 304 MW for CT approved

### Most Recent In-Service Date:

- Unlikely to achieve end of 2023 in-service date

### Permitting Update:

- BOEM COP application filed on 3/13/20. BOEM review schedule expected in early 2021.

## Sunrise Wind

Powered by  
Ørsted &  
Eversource

### Size:

- 880 MW

### Year 1 Price:

- \$110.37/MWH
- (no escalator)

### Contract Status:

- Contract signed with NYSERDA in October 2019

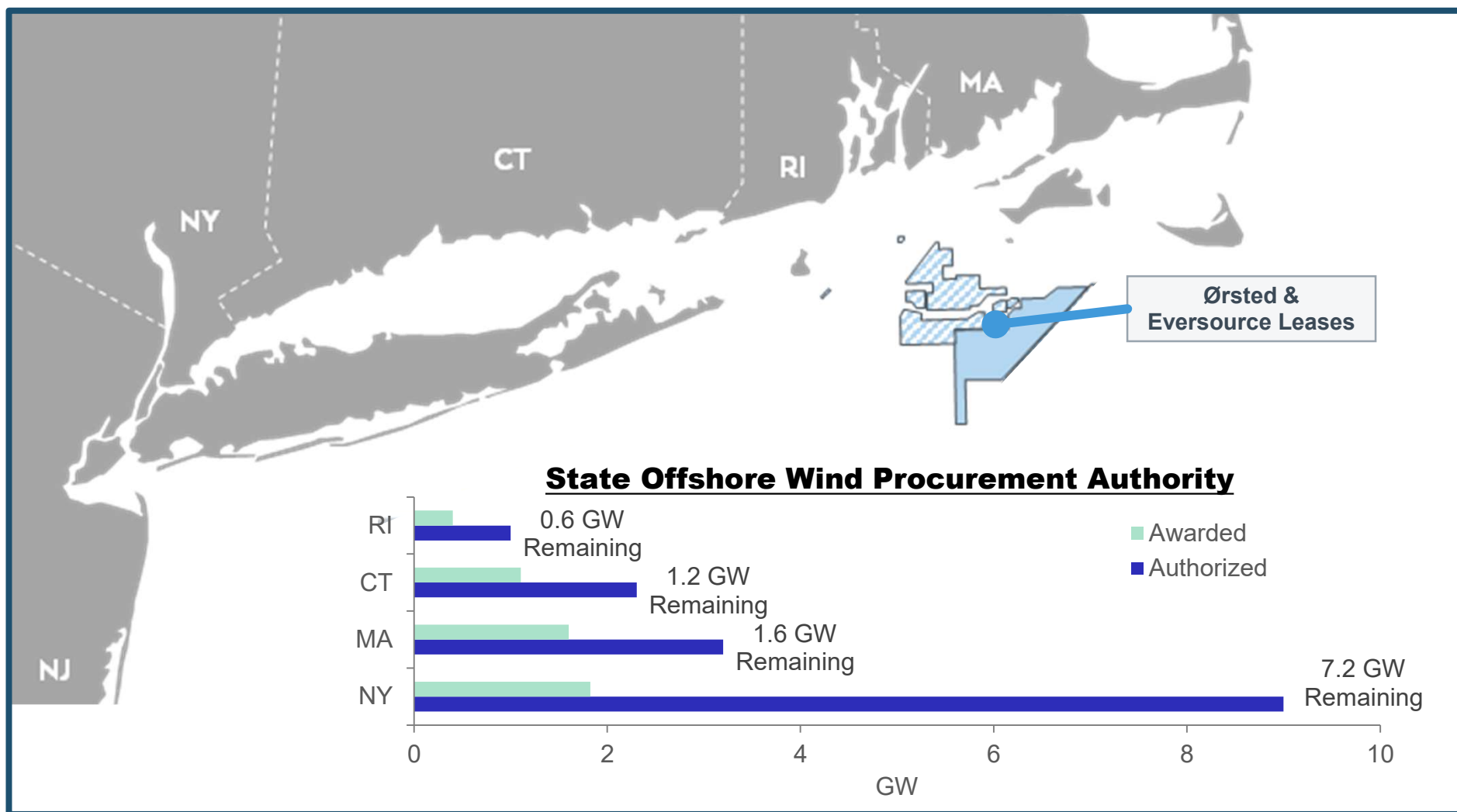
### Most Recent In-Service Date:

- Unlikely to achieve end of 2024 in-service date

### Permitting Update:

- BOEM COP application filed on 9/1/2020. BOEM review schedule expected in 2021

# Remaining Lease Capacity Is Well-Positioned To Maintain Our Disciplined Growth Strategy



# Regulatory Update

## 2020 Rate Cases

### PSNH

- PSNH filed a general rate case to raise annual base distribution rates by approximately \$70 million, including an increase sought on a temporary basis
  - On 6/27/19, 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.
- Settlement with all rate case parties filed with NHPUC on 10/9/20. Key elements include:
  - Annualized increase of \$45 million, including \$28 million temporary increase that was effective 7/1/19
  - 9.3% ROE; 54.4% equity; 45.6% debt in capital structure
  - Additional increases allowed to reflect capital additions in 2019-2021
  - NHPUC approval sought by 11/28/20
  - New rates effective 1/1/21

### NSTAR Gas

- On 11/8/19, NSTAR Gas filed a rate request seeking a \$38 million base rate adjustment, effective 10/1/20
- On 10/30/20, the DPU issued a decision to allow a \$23 million annualized increase, effective 11/1/20 and to be implemented in bills beginning 12/1/20
- 9.9 percent ROE
- 54.77 percent equity in capital structure
- Performance-based ratemaking approved for a 10-year term
  - Inflation plus 1.03 percent
- Recent capital additions approved
- Geothermal pilot approved
- Earnings sharing with 75 percent to customer above 10.9 percent ROE

## Previous Distribution Rate Decisions

### CL&P Rate Settlement

- Effective Date: 5/1/18
- Authorized ROE: 9.25%
- Term: 3 years
- Base rate increases:  
5/1/18 = \$64.3M  
5/1/19 = \$31.1M  
5/1/20 = \$29.2M
- Tracking mechanism for capex over \$270 million

### Yankee Gas Rate Settlement

- Effective date: 11/15/18
- Authorized ROE: 9.3%
- Base rate increases:  
11/15/18 = \$1.4M  
1/1/20 = \$15.8M  
1/1/21 = \$13M
- 2020 and 2021
- Revenue decoupling
- Tracking mechanism for aging infrastructure replacements and for capex over \$150 million

### NSTAR Electric Rate Decision

- Effective Date: 2/1/18
- Authorized ROE: 10%
- Term: 5 years
- Base rate decrease of \$19 million on 2/1/18 (net of tax reform) followed by inflation-adjusted increases from 2019-2022
- Base rate increases to date:  
1/1/19 = \$31.5M  
1/1/20 = \$33.6M
- Key Provisions: Revenue decoupling; approval of grid modernization expenditures with tracking for battery storage; EV infrastructure



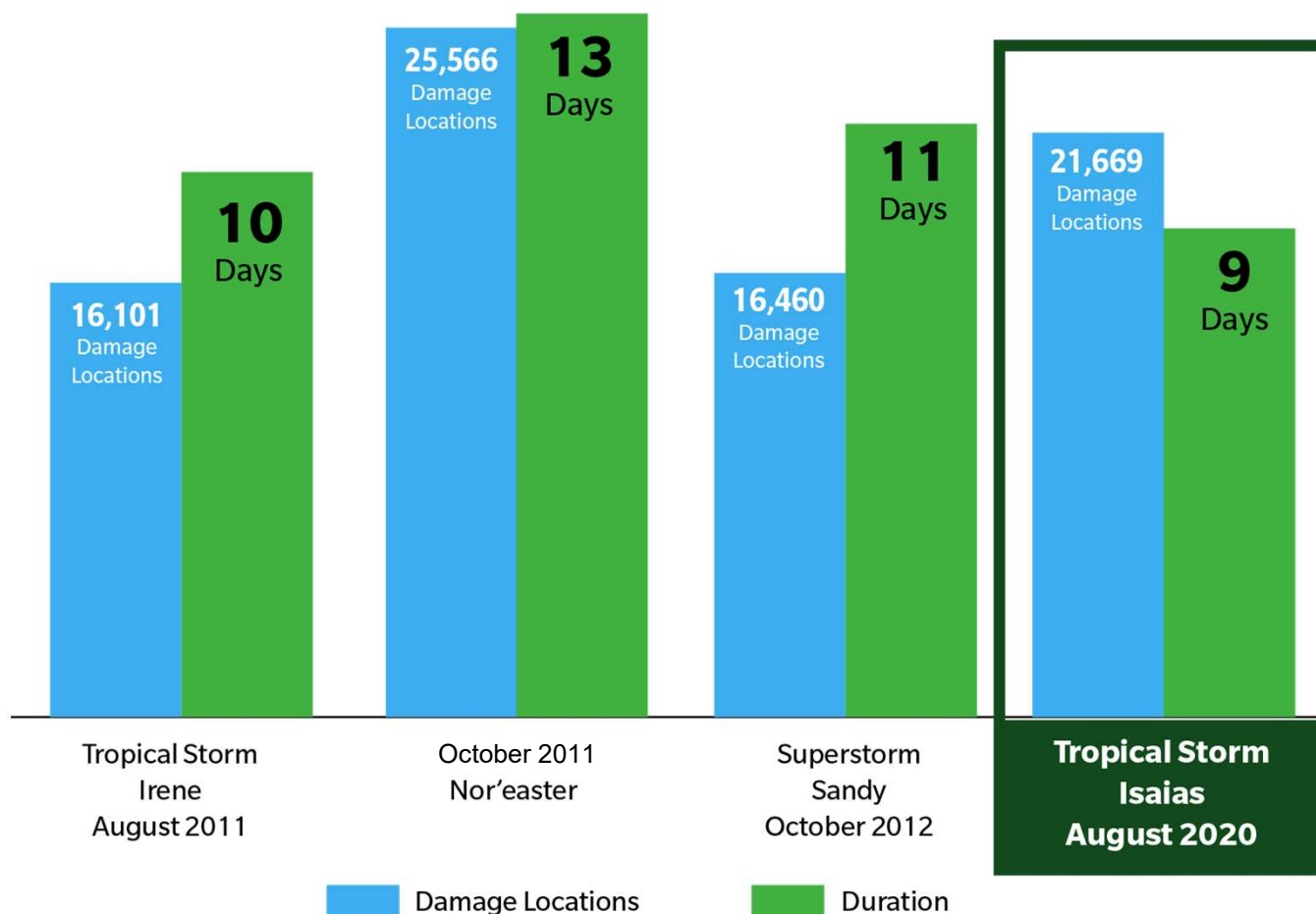
# FERC Transmission New England ROE Update

- Current base: 10.57%; Cap: 11.74% (2014 Opinion 531A)
- Oct. 2018 FERC Order in New England ROE cases proposed a new methodology to address issues raised by Court in vacating Opinion 531A (New England ROE Complaint I)
  - This new methodology provided a path forward to resolve 2011, 2012, 2014 and 2016 complaints against New England transmission ROEs
  - Briefs and reply briefs filed in early 2019; timing of decision remains unclear
  - Original FERC-proposed new methodology averaged DCF, CAPM, risk premium, expected earnings
  - Illustrative base: 10.41%; Cap: 13.08% (Oct. 2018 proposed new method)
- FERC changed methodology in revised May 2020 MISO TO Order and applied only DCF, CAPM and risk premium methodologies. No date given for New England ROE decision.
- In March 2020, FERC issued a NOPR asking for comments on several items related to incentives, including raising RTO adder from 50 bps to 100 bps and capping incentives at 250 bps
- ES incentives now capped at 11.74%, 117 bps above 10.57% base



# Historic Storm Comparison

Damage comparison of Tropical Storm Isaias, Superstorm Sandy, the October 2011 Nor'easter, and Tropical Storm Irene



Measured using standard major exclusion day metric from date of the event to the last major exclusion day. The duration of time from the event to substantial completion at 1% or less in every municipality was 7.5 days.

# New Legislation and PURA Storm Review

## Key Points of Legislation

- Directs PURA to evaluate a performance-based regulation and to open a docket by 6/1/21
- Extended the timeline for rate cases from 6 months to nearly 12 months
- Authorizes PURA to establish storm restoration standards, along with potential penalties and payments for failure to meet those standards; i.e., daily outage credit, food and medical reimbursement
- Increases the amount of potential penalties from 2.5% to 4% of “distribution” revenues
- Suggests PURA open a review to determine implementation of interim rate decreases and low-income and economic development rates
  - Docket has been opened

## Remaining PURA Schedule

- Nov 20 – Rebuttal to Nov 6<sup>th</sup> pre-filed testimony due
- Dec 14-22 – Evidentiary hearings
- Feb 5 - Briefs (tentative)
- Feb 19 – Reply briefs (tentative)
- Mar 19 – Draft decision (tentative)
- Apr 28 – Final decision (tentative)

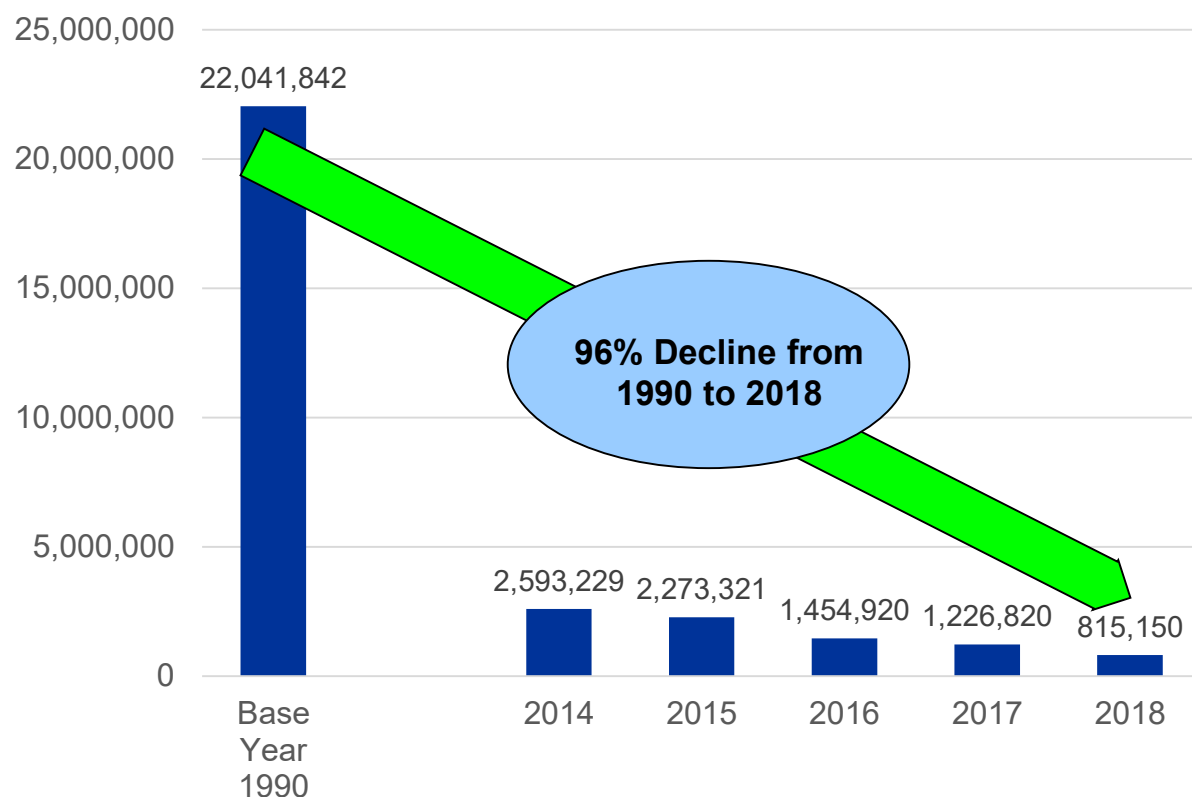
# ESG at Eversource

## **Eversource Executing Its Business Plan 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
- Safety protocols were tested during 9-day power restoration effort following Tropical Storm Isaias in August, but organization executed extremely well, even while housing more than 6,000 workers aiding in restoration
- Moratorium on customer shut-offs in all states, unless safety issue
- No significant supply issues

# Eversource Only US Energy Utility Targeting Carbon Neutrality By 2030

## Eversource GHG Emissions in Metric Tonnes CO<sub>2</sub>e

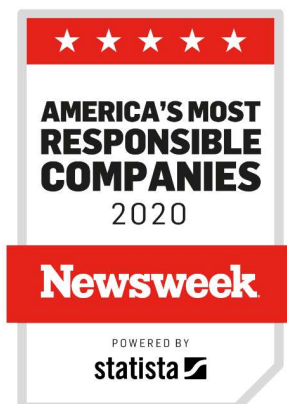


## Reducing our Carbon Footprint from Corporate Operations

### HOW WE'LL GET THERE

- Reduce our own energy use by improving the efficiency of our facilities and reducing fleet emissions.
- Reduce line losses in the electric transmission and distribution system.
- Reduce sulfur hexafluoride in our electrical gas-insulated switchgear.
- Replace remaining bare steel and cast-iron mains in our natural gas distribution system to improve safety and eliminate methane leaks.

# Eversource Recognized as the Leading Energy Company



*#1 Energy and Utilities Company on Newsweek magazine's Most Responsible Companies list*



**SUSTAINALYTICS**

*Top level ESG and ESG risk rating*

**Institutional Investor**

**2020 ALL-AMERICA EXECUTIVE TEAM**

**MOST HONORED COMPANY**

**EVERSOURCE ENERGY**

*Eversource became a Most Honored Company in 2020*

*One of only four energy companies on Barron's Most Sustainable Companies list, based on an evaluation of 230 performance indicators that address environmental, social and corporate governance issues.*



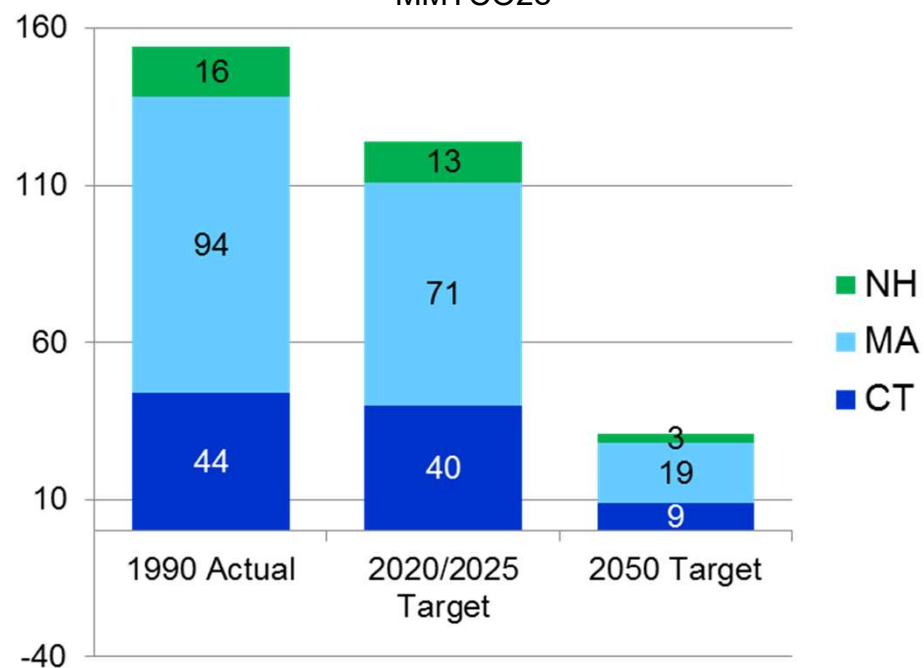
**BARRON'S**

**Most Sustainable Companies 2020**

# New England States Have Aggressive Renewable and GHG Targets

## Regional Greenhouse Gas Emission Targets

MMTCO<sub>2</sub>e



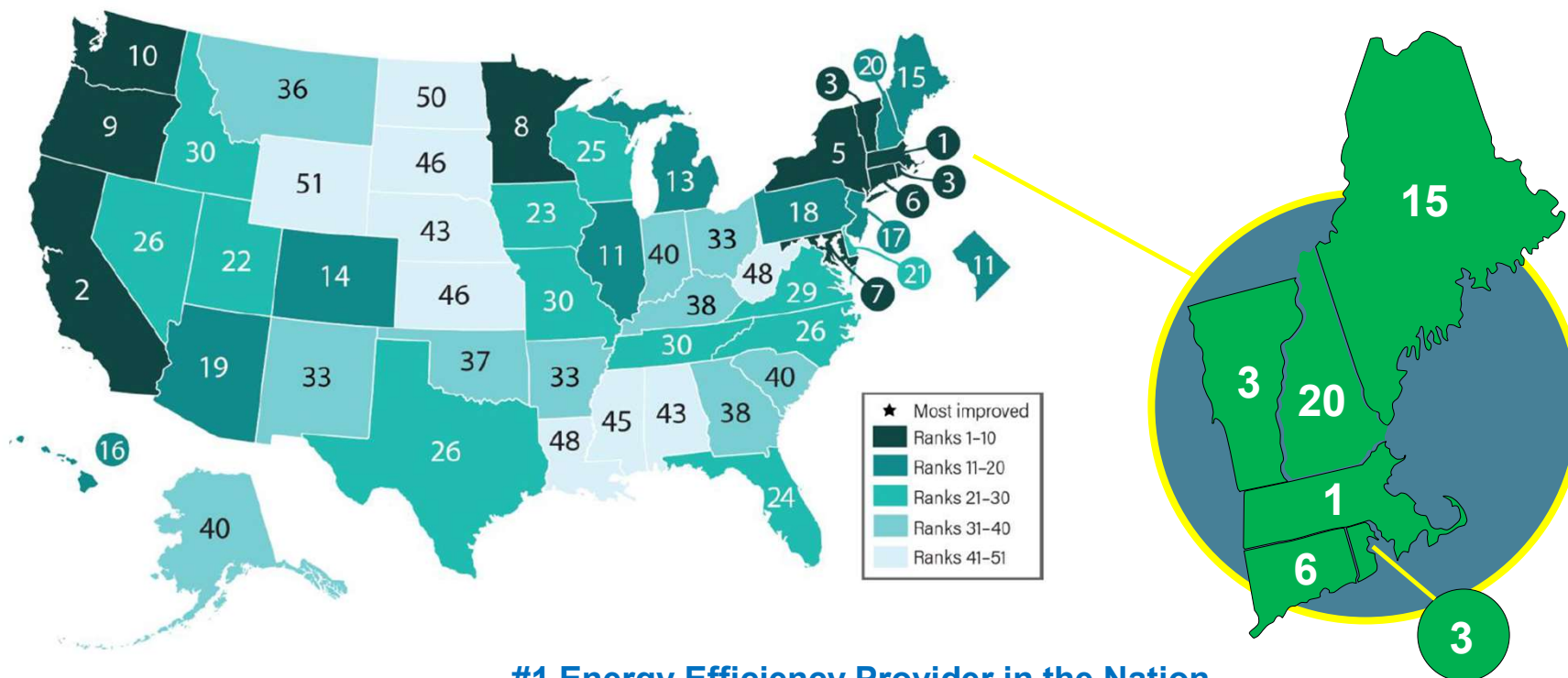
## Renewable Portfolio Standards in Place

	2019	2020	2025
CT	27.5%	29.0%	38.0%
MA	24.94%	27.7%	38.96%
NH	19.7%	20.7%	25.2%

(Percentage of electricity that must come from qualifying renewable facilities)



# Most Effective Method of Reducing Emissions: Improve Energy Efficiency



**#1 Energy Efficiency Provider in the Nation**

*According to Ceres most recent benchmarking report*

**Eversource MA, #1 Most Energy Efficient Utility in the United States**

*According to ACEEE, in their second edition of the Utility Energy Efficiency Scorecard*

**Retail Customer Count Up 3.3% Since 2014, While KWH Sales Down 5.2%**

**Note: The lower the number...the more effective the Energy Efficiency Programs**

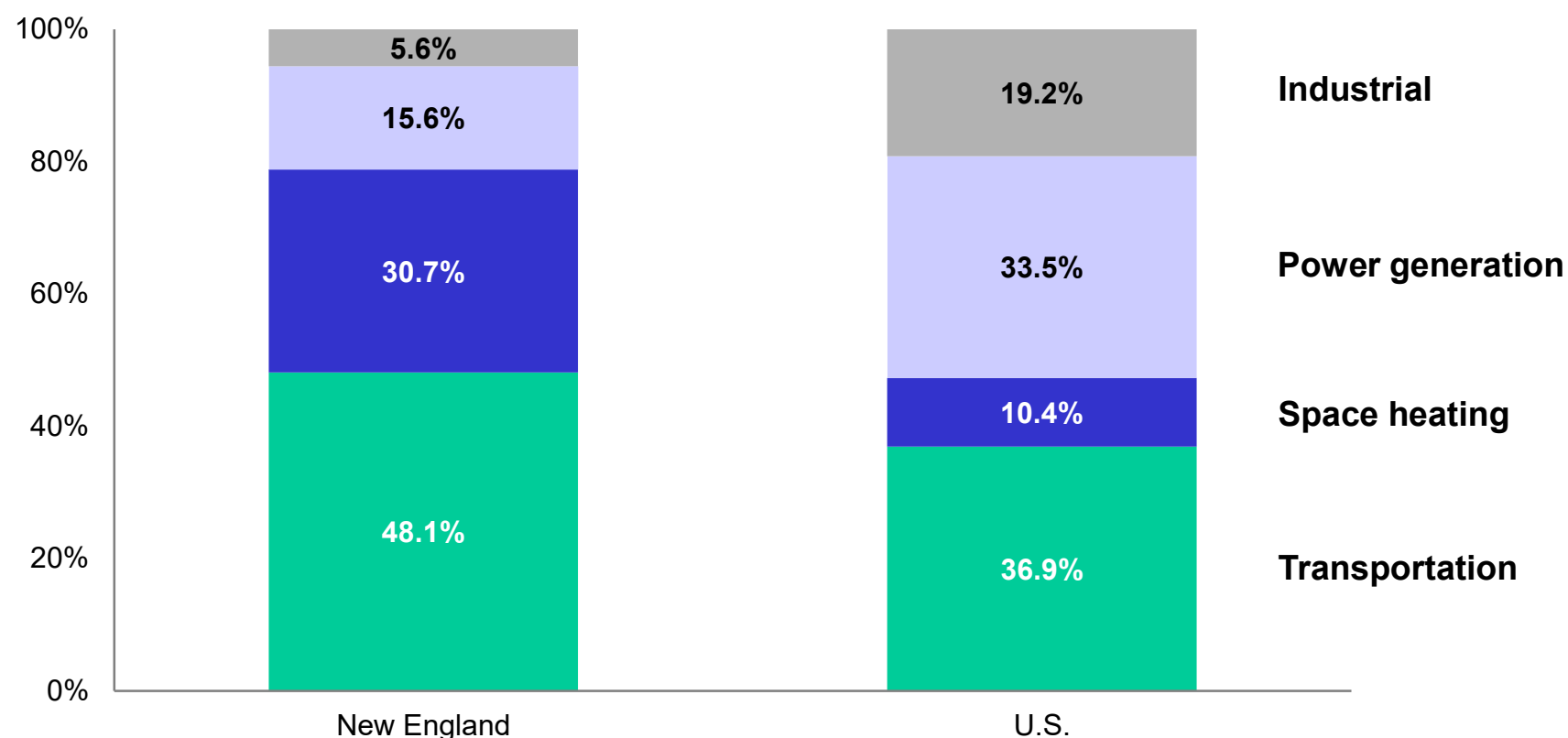
Source: American Council for an Energy-Efficient Economy 2019 Scorecard



# Eversource Addressing Largest Sources of New England Carbon Emissions: Transportation, Space Heating and Power Generation

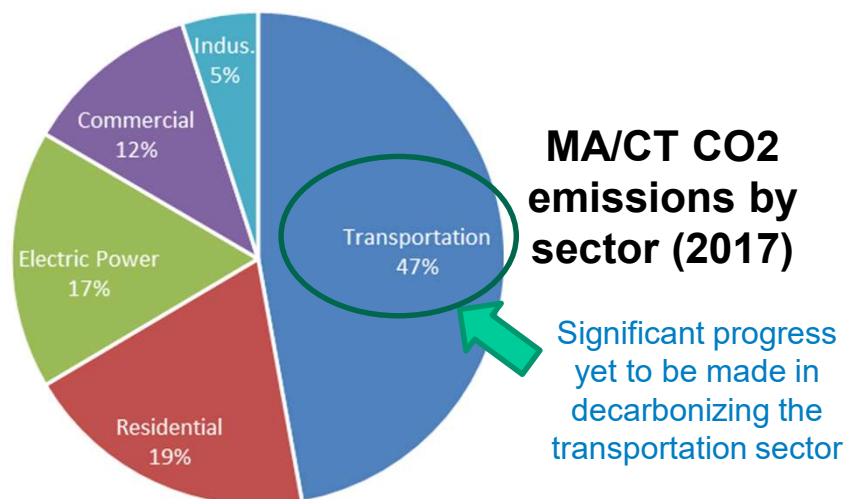
## 2017 Energy Carbon Emissions by Source

New England vs. U.S.



Source: U.S. Energy Information Administration

# Carbon Reduction Goals and Vehicle Emissions Standards Will Help Electrify Transportation Sector



## States' Objectives

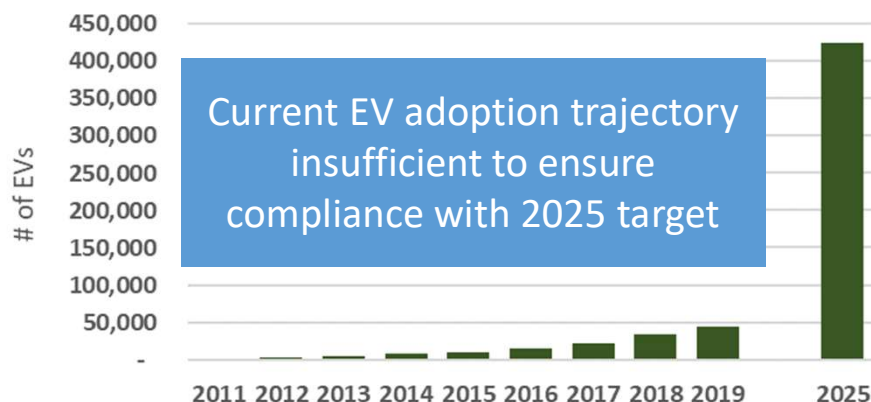
- Ambitious goals set forth in the 2008 Global Warming Solutions Act
- MA: Net zero GHG emissions by 2050; CT: Reduce GHG emissions 80% below 1990 levels by 2050
- Committed to 425,000 EVs on the road by 2025 as part of ZEV Alliance

## Barriers to EV Adoption

- Limited availability of public charging stations ✓
- Cost of charging infrastructure ✓
- Lack of consumer awareness ✓
- Upfront cost of electric vehicles
- Variety of available vehicle models

✓ **An appropriate level of utility support can address these barriers and drive market transformation**

## EVs on the road in MA/CT



## Third Quarter and First Nine Months EPS Results

	3Q 2020	3Q 2019	3Q Change	9M 2020	9M 2019	9M Change
Electric Distribution	\$0.60	\$0.61	(\$0.01)	\$1.33	\$1.32	\$0.01
Electric Transmission Ex. NPT Impairment (Non-GAAP)	0.36	0.33	0.03	1.13	1.07	0.06
Natural Gas Distribution	(0.04)	(0.05)	0.01	0.22	0.18	0.04
Water Distribution	0.07	0.06	0.01	0.11	0.08	0.03
Parent & Other (Non-GAAP)	0.03	0.03	0.00	0.01	0.04	(0.03)
EPS, Ex. NPT Impairment, Columbia Gas Asset Acquisition Costs (Non-GAAP)	1.02	0.98	0.04	2.80	2.69	0.11
NPT Impairment	0.00	0.00	0.00	0.00	(0.64)	0.64
Columbia Gas Asset Acquisition Costs	(0.01)	0.00	(0.01)	(0.04)	0.00	(0.04)
Reported EPS (GAAP)	\$1.01	\$0.98	\$0.03	\$2.76	\$2.05	\$0.71

## 2020 Financings

Company	Transaction	Size / Coupon	Issuance Date	Maturity
Eversource Parent	Senior Notes	\$350M @ 3.45%	Jan 10, 2020	Jan 15, 2050
Eversource Parent	Settle Equity Forward Sale Agreement	\$106M (1.5 Million shares) \$314M (4.46 Million shares)	Mar 23, 2020 Mar 26, 2020	
NSTAR Electric	Green Bonds	\$400M @ 3.95%	Mar 26, 2020	Apr 1, 2030
NSTAR Gas	First Mortgage Bonds	\$ 75M @ 2.33% \$115M @ 3.15%	May 7, 2020	May 1, 2025 May 1, 2050
Eversource Parent	Equity Issuance *	\$509M (6 Million shares @ \$86.26 per share)	Jun 15, 2020	
Eversource Parent	Senior Notes	\$300M @ 0.80% \$600M @ 1.65% \$300M @ 3.45% (2.585% yield)	Aug 14, 2020	Aug 15, 2025 Aug 15, 2030 Jan 15, 2050
PSNH	First Mortgage Bonds	\$150M @ 2.40%	Aug 26, 2020	Sep 1, 2050
Yankee Gas	First Mortgage Bonds	\$70M @ 2.90%	Sep 15, 2020	Sep 15, 2050

\* In addition, YTD September 30, 2020, there have been 956,828 Treasury Shares issued.