

News Release

Eversource Energy Reports First Quarter 2018 Results

(HARTFORD, Conn. and BOSTON, Mass. – May 2, 2018) Eversource Energy (NYSE: ES) today reported first quarter 2018 earnings of \$269.5 million, or \$0.85 per share, compared with earnings of \$259.5 million, or \$0.82 per share, in the first quarter of 2017.

Also today, the Eversource Energy Board of Trustees declared a regular quarterly dividend of \$0.505 per share, payable June 29, 2018 to shareholders of record as of May 24, 2018. Additionally, the company today reaffirmed its 2018 earnings per share (EPS) guidance of \$3.20 to \$3.30 and its projected 5 to 7 percent long-term EPS growth rate.

“We had a very solid start to 2018, despite extremely challenging weather conditions in March, resulting from an unprecedented three major Nor’easters in 11 days,” said James J. Judge, Eversource Energy chairman, president and chief executive officer. “We thank our customers who showed great support, patience and appreciation for our employees’ efforts on their behalf following the storms, and we are so grateful to thousands of Eversource employees for their tireless work during that difficult period.”

Electric Transmission

Eversource Energy’s transmission segment earned \$107.4 million in the first quarter of 2018, compared with earnings of \$94.2 million in the first quarter of 2017. Higher transmission earnings were primarily due to Eversource Energy’s additional investment in its electric transmission system.

Electric Distribution

Eversource Energy’s electric distribution and generation segment earned \$104.2 million in the first quarter of 2018, compared with earnings of \$114.1 million in the first quarter of 2017. Lower results were due primarily to the sale of generation assets, as well as higher depreciation, property tax, operations and maintenance expense, partially offset by higher electric distribution margins. Higher operations and maintenance expense was driven primarily by higher storm-related costs in 2018.

Natural Gas Distribution

Eversource Energy’s natural gas distribution segment earned \$57.8 million in the first quarter of 2018, compared with earnings of \$50.8 million in the first quarter of 2017. Stronger sales were partially offset by higher operations and maintenance expense.

Water Distribution

Eversource Energy's water distribution segment, which was created when Eversource acquired Aquarion Water Company in December 2017, earned \$1.5 million in the first quarter of 2018. Water distribution earnings are heavily weighted in the warmer months of the year, the opposite of natural gas distribution earnings.

Parent and other companies

Parent and other companies had a net loss of \$1.4 million in the first quarter of 2018, compared with earnings of \$0.4 million in the first quarter of 2017, due primarily to higher interest expense.

The following table reconciles consolidated earnings per share for the first quarters of 2018 and 2017:

		First Quarter
2017	Reported EPS	\$0.82
	Higher transmission earnings in 2018	\$0.04
	Higher electric distribution margin in 2018	\$0.03
	Higher natural gas revenues in 2018	\$0.01
	Lower generation earnings in 2018	(\$0.01)
	Higher non-tracked O&M in 2018	(\$0.01)
	Higher depreciation and property tax expense in 2018	(\$0.01)
	Higher interest expense in 2018	(\$0.02)
2018	Reported EPS	\$0.85

Financial results for the first quarters of 2018 and 2017 for Eversource Energy's business segments and parent and other companies are noted below:

Three months ended:

<i>(in millions, except EPS)</i>	March 31, 2018	March 31, 2017	Increase/ (Decrease)	2018 EPS ¹
Electric Distribution	\$104.2	\$114.1	(\$9.9)	\$0.33
Electric Transmission	107.4	94.2	13.2	0.34
Natural Gas Distribution	57.8	50.8	7.0	0.18
Water Distribution	1.5	---	1.5	---
Parent and Other Companies	(1.4)	0.4	(1.8)	---
Reported Earnings	\$269.5	\$259.5	\$10.0	\$0.85

Retail sales data:

<i>(Three months ended)</i>	March 31, 2018	March 31, 2017	% Change
Electric Distribution			
Traditional	3,847	3,700	4.0%
Decoupled	9,374	9,472	(1.0%)
Total Electric Distribution	13,221	13,172	0.4%
Natural Gas Distribution (mmcf)			
Traditional	20,473	18,905	8.3%
Decoupled and Special Contracts	22,706	22,241	2.1%
Total Natural Gas Distribution	43,179	41,146	4.9%

Eversource Energy has approximately 317 million common shares outstanding. It operates New England's largest energy delivery system and serves approximately 4 million electric, natural gas and water utility customers in Connecticut, Massachusetts and New Hampshire.

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Note: Eversource Energy will webcast a conference call with senior management on May 3, 2018, beginning at 9 a.m. Eastern Time. The webcast and associated slides can be accessed through Eversource's website at www.eversource.com.

¹ All per share amounts in this news release are reported on a diluted basis. The only common equity securities that are publicly traded are common shares of Eversource Energy. The earnings and EPS of each business do not represent a direct legal interest in the assets and liabilities allocated to such business, but rather represent a direct interest in Eversource Energy's assets and liabilities as a whole. EPS by business is a non-GAAP (not determined using generally accepted accounting principles) measure that is calculated by dividing the net income or loss attributable to controlling interests of each business by the weighted average diluted Eversource Energy common shares outstanding for the period. Management uses this non-GAAP financial measure to evaluate earnings results, provide details of earnings results by business, and more fully compare and explain our first quarter 2018 and 2017 results. Management believes that this measurement is useful to investors to evaluate the actual and projected financial performance and contribution of Eversource Energy's businesses. Non-GAAP financial measures should not be considered as alternatives to Eversource consolidated net income attributable to controlling interests or EPS determined in accordance with GAAP as indicators of Eversource Energy's operating performance.

This news release includes statements concerning Eversource Energy's expectations, beliefs, plans, objectives, goals, strategies, assumptions of future events, future financial performance or growth and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, readers can identify these forward-looking statements through the use of words or phrases such as "estimate," "expect," "anticipate," "intend," "plan," "project," "believe," "forecast," "should," "could" and other similar expressions. Forward-looking statements are based on current expectations, estimates, assumptions or projections and are not guarantees of future performance. These expectations, estimates, assumptions or projections may vary materially from actual results. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, important factors that could cause our actual results to differ materially from those contained in our forward-looking statements, including, but not limited to, that we may fail to reach agreement on terms of a potential transaction with Connecticut Water, or fail to complete any such transaction on a timely basis or on favorable terms; negative effects on Connecticut Water's business resulting from the pendency of the merger proposals; that we may not receive regulatory approvals within the expected timeframe; and that we may not be able to close the proposed transaction with Connecticut Water promptly and effectively, or at all; cyber-attacks or breaches, including those

resulting in the compromise of the confidentiality of our proprietary information and the personal information of our customers; acts of war or terrorism, physical attacks or grid disturbances that may damage and disrupt our transmission and distribution systems; ability or inability to commence and complete our major strategic development projects and opportunities; actions or inactions of local, state and federal regulatory, public policy and taxing bodies; substandard performance of third-party suppliers and service providers; fluctuations in weather patterns, including extreme weather due to climate change; changes in business conditions, which could include disruptive technology related to our current or future business model; increased conservation measures of customers and development of alternative energy sources; contamination of or disruption of our water supplies; changes in economic conditions, including impact on interest rates, tax policies, and customer demand and payment ability; changes in levels or timing of capital expenditures; disruptions in the capital markets or other events that make Eversource Energy's access to necessary capital more difficult or costly; changes in laws, regulations or regulatory policy; changes in accounting standards and financial reporting regulations; actions of rating agencies; and other presently unknown or unforeseen factors.

Other risk factors are detailed in Eversource Energy's reports filed with the Securities and Exchange Commission (SEC) and updated as necessary, and are available on Eversource Energy's website at www.eversource.com and on the SEC's website at 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; 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.

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EVERSOURCE ENERGY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of March 31, 2018	As of December 31, 2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 303,810	\$ 38,165
Receivables, Net	1,086,282	925,083
Unbilled Revenues	164,082	201,361
Fuel, Materials, Supplies and Inventory	264,171	223,063
Regulatory Assets	683,211	741,868
Prepayments and Other Current Assets	210,534	138,009
Assets Held for Sale	59,346	219,550
Total Current Assets	2,771,436	2,487,099
Property, Plant and Equipment, Net	23,958,688	23,617,463
Deferred Debits and Other Assets:		
Regulatory Assets	4,655,521	4,497,447
Goodwill	4,427,266	4,427,266
Marketable Securities	580,446	585,419
Other Long-Term Assets	646,626	605,692
Total Deferred Debits and Other Assets	10,309,859	10,115,824
Total Assets	\$ 37,039,983	\$ 36,220,386
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable	\$ 1,049,305	\$ 1,088,087
Long-Term Debt – Current Portion	1,097,288	549,631
Accounts Payable	984,343	1,085,034
Regulatory Liabilities	205,970	128,071
Other Current Liabilities	759,112	738,222
Total Current Liabilities	4,096,018	3,589,045
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	3,389,606	3,297,518
Regulatory Liabilities	3,703,735	3,637,273
Derivative Liabilities	415,402	377,257
Accrued Pension, SERP and PBOP	1,026,181	1,228,091
Other Long-Term Liabilities	1,053,765	1,073,501
Total Deferred Credits and Other Liabilities	9,588,689	9,613,640
Capitalization:		
Long-Term Debt	12,015,992	11,775,889
Noncontrolling Interest – Preferred Stock of Subsidiaries	155,570	155,570
Equity:		
Common Shareholders' Equity:		
Common Shares	1,669,392	1,669,392
Capital Surplus, Paid In	6,224,620	6,239,940
Retained Earnings	3,670,603	3,561,084
Accumulated Other Comprehensive Loss	(63,130)	(66,403)
Treasury Stock	(317,771)	(317,771)
Common Shareholders' Equity	11,183,714	11,086,242
Total Capitalization	23,355,276	23,017,701
Total Liabilities and Capitalization	\$ 37,039,983	\$ 36,220,386

The data contained in this report is preliminary and is unaudited. This report is being submitted for the sole purpose of providing information to shareholders about Eversource Energy and Subsidiaries and is not a representation, prospectus, or intended for use in connection with any purchase or sale of securities.

EVERSOURCE ENERGY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars, Except Share Information)	For the Three Months Ended March 31,	
	2018	2017
Operating Revenues	\$ 2,287,962	\$ 2,105,135
Operating Expenses:		
Purchased Power, Fuel and Transmission	946,747	753,649
Operations and Maintenance	332,549	338,307
Depreciation	204,266	186,805
Amortization	45,194	24,017
Energy Efficiency Programs	134,241	146,158
Taxes Other Than Income Taxes	182,433	155,222
Total Operating Expenses	1,845,430	1,604,158
Operating Income	442,532	500,977
Interest Expense	121,129	103,429
Other Income, Net	33,789	21,619
Income Before Income Tax Expense	355,192	419,167
Income Tax Expense	83,766	157,829
Net Income	271,426	261,338
Net Income Attributable to Noncontrolling Interests	1,880	1,880
Net Income Attributable to Common Shareholders	\$ 269,546	\$ 259,458
Basic and Diluted Earnings Per Common Share	\$ 0.85	\$ 0.82
Dividends Declared Per Common Share	\$ 0.51	\$ 0.48
Weighted Average Common Shares Outstanding:		
Basic	317,397,052	317,463,151
Diluted	317,992,999	318,124,536

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EVERSOURCE ENERGY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the Three Months Ended March 31,

(Thousands of Dollars)

2018

2017

Operating Activities:

Net Income	\$	271,426	\$	261,338
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:				
Depreciation		204,266		186,805
Deferred Income Taxes		88,481		141,398
Pension, SERP and PBOP (Income)/Expense, Net		(1,965)		5,828
Pension and PBOP Contributions		(171,244)		(45,700)
Regulatory Overrecoveries, Net		70,457		56,734
Amortization		45,194		24,017
Other		(54,969)		(36,176)
Changes in Current Assets and Liabilities:				
Receivables and Unbilled Revenues, Net		(156,888)		(50,251)
Fuel, Materials, Supplies and Inventory		(26,956)		(33,058)
Taxes Receivable/Accrued, Net		(5,061)		32,313
Accounts Payable		(61,571)		(57,701)
Other Current Assets and Liabilities, Net		(23,456)		(40,198)
Net Cash Flows Provided by Operating Activities		<u>177,714</u>		<u>445,349</u>

Investing Activities:

Investments in Property, Plant and Equipment		(607,334)		(523,560)
Proceeds from Sales of Marketable Securities		145,438		154,772
Purchases of Marketable Securities		(143,264)		(149,688)
Proceeds from the Sale of PSNH Generation Assets		130,641		—
Other Investing Activities		(5,200)		(16,105)
Net Cash Flows Used in Investing Activities		<u>(479,719)</u>		<u>(534,581)</u>

Financing Activities:

Cash Dividends on Common Shares		(160,027)		(150,521)
Cash Dividends on Preferred Stock		(1,880)		(1,880)
Decrease in Notes Payable		(240,005)		(173,000)
Issuance of Long-Term Debt		1,150,000		600,000
Retirements of Long-Term Debt		(150,218)		(150,000)
Other Financing Activities		(19,140)		(15,832)
Net Cash Flows Provided by Financing Activities		<u>578,730</u>		<u>108,767</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash		276,725		19,535
Cash, Cash Equivalents and Restricted Cash - Beginning of Period		85,890		106,750
Cash, Cash Equivalents and Restricted Cash - End of Period	\$	<u>362,615</u>	\$	<u>126,285</u>

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