

News Release

Eversource Energy Reports Third Quarter Results

(HARTFORD, Conn. and BOSTON, Mass. – November 1, 2018) Eversource Energy (NYSE: ES) today reported earnings of \$289.4 million, or \$0.91 per share, in the third quarter of 2018, compared with earnings of \$260.4 million, or \$0.82 per share, in the third quarter of 2017. In the first nine months of 2018, Eversource Energy earned \$801.7 million, or \$2.52 per share, compared with earnings of \$750.6 million, or \$2.36 per share, in the first nine months of 2017.

Results in the third quarter of 2018 include an after-tax impairment charge of \$26 million, or \$0.08 per share, related to Eversource Energy's investment in the proposed Access Northeast natural gas pipeline project and non-recurring tax benefits of \$18 million, or \$0.06 per share, related to federal and state tax law changes.

In addition to reporting third quarter results, Eversource Energy today reaffirmed its 2018 earnings per share (EPS) projection of \$3.20 to \$3.30 per share and its long-term EPS growth rate of 5 to 7 percent.

"2018 continues to be a year of strong operational and financial performance for Eversource Energy," said Jim Judge, Eversource chairman, president and chief executive officer. "We are delivering reliable, efficient and responsive service to our customers, while continuing to be an attractive investment for our shareholders."

Electric Transmission

Eversource Energy's transmission segment earned \$109.5 million in the third quarter of 2018 and \$329.6 million in the first nine months of 2018, compared with earnings of \$99 million in the third quarter of 2017 and \$289.6 million in the first nine months of 2017. Improved results were due primarily to a higher level of investment in Eversource's electric transmission system.

Electric Distribution

Eversource Energy's electric distribution segment earned \$173.8 million in the third quarter of 2018 and \$379.3 million in the first nine months of 2018, compared with earnings of \$157.4 million in the third quarter of 2017 and \$393.4 million in the first nine months of 2017. Improved third quarter results were due primarily to higher distribution margins¹, partially offset by the divestiture of New Hampshire generation assets and higher property tax and depreciation expense. Lower year-to-date results in 2018 were due primarily to lower generation earnings and higher depreciation and property tax expense.

Natural Gas Distribution

Eversource Energy's natural gas distribution segment lost \$12.6 million in the third quarter of 2018 and earned \$50.2 million in the first nine months of 2018, compared with a loss of \$6.2 million in the third quarter of 2017 and earnings of \$49.1 million in the first nine months of 2017. Lower third-quarter results were due primarily to higher operation and maintenance expense.

Water Distribution

Eversource's Aquarion Water Company subsidiary earned \$17.6 million in the third quarter of 2018 and \$26.3 million in the first nine months of 2018. Eversource Energy acquired Aquarion Water in December 2017.

Eversource Energy Parent and Other Companies

Eversource Energy parent and other companies earned \$1.1 million in the third quarter of 2018 and \$16.3 million in the first nine months of 2018, compared with earnings of \$10.2 million in the third quarter of 2017 and \$18.5 million in the first nine months of 2017. The 2018 results include the Access Northeast impairment charge and non-recurring tax benefits noted above.

The following table reconciles 2018 and 2017 third quarter and first nine months earnings per share:

		Third Quarter	First Nine Months
2017	Reported EPS	\$0.82	\$2.36
	Higher transmission earnings in 2018	0.03	0.13
	Higher electric and natural gas distribution margin in 2018	0.09	0.11
	Water distribution earnings in 2018	0.06	0.08
	Non-recurring tax benefit at Eversource parent	0.06	0.06
	Higher/(lower) earnings at Eversource parent and other in 2018 (ex. tax benefit and impairment)	(0.01)	0.01
	Impairment charge related to Access Northeast	(0.08)	(0.08)
	Higher electric and natural gas depreciation, property tax and interest expense and other in 2018	(0.03)	(0.09)
	Lower generation earnings in 2018	(0.03)	(0.06)
2018	Reported EPS	\$0.91	\$2.52

Financial results by segment for the third quarter and first nine months of 2018 and 2017 are noted below:

Three months ended:

<i>(in millions, except EPS)</i>	September 30, 2018	September 30, 2017	Increase/ (Decrease)	2018 EPS ¹
Electric Transmission	\$109.5	\$99.0	\$10.5	\$0.34
Electric Distribution	173.8	157.4	16.4	0.55
Natural Gas Distribution	(12.6)	(6.2)	(6.4)	(0.04)
Water Distribution	17.6	--	17.6	0.06
Eversource Parent and Other Companies	1.1	10.2	(9.1)	---
Reported Earnings	\$289.4	\$260.4	\$29.0	\$0.91

Nine months ended:

<i>(in millions, except EPS)</i>	September 30, 2018	September 30, 2017	Increase/ (Decrease)	2018 EPS ¹
Electric Transmission	\$329.6	\$289.6	\$40.0	\$1.04
Electric Distribution	379.3	393.4	(14.1)	1.19
Natural Gas Distribution	50.2	49.1	1.1	0.16
Water Distribution	26.3	--	26.3	0.08
Eversource Parent and Other Companies	16.3	18.5	(2.2)	0.05
Reported Earnings	\$801.7	\$750.6	\$51.1	\$2.52

Retail sales data:

Three months ended:

	September 30, 2018	September 30, 2017	% Change
Electric Distribution (Gwh)			
Traditional	2,206	2,020	9.2
Decoupled	13,110	12,076	8.6
Total Electric Distribution	15,316	14,096	8.7
Natural Gas Distribution (mmcf)			
Traditional	5,984	5,550	7.8
Decoupled and Special Contracts	5,358	5,975	(10.3)
Total Natural Gas Distribution	11,342	11,525	(1.6)

Nine months ended:

	September 30, 2018	September 30, 2017	% Change
Electric Distribution (Gwh)			
Traditional	7,857	7,542	4.2
Decoupled	32,814	31,889	2.9
Total Electric Distribution	40,671	39,431	3.1
Natural Gas Distribution (mmcf)			
Traditional	35,745	32,233	10.9
Decoupled and Special Contracts	37,580	37,453	0.3
Total Natural Gas Distribution	73,325	69,686	5.2

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

CONTACT:

Jeffrey R. Kotkin
(860) 665-5154

Note: Eversource Energy will webcast a conference call with senior management on November 2, 2018, beginning at 9 a.m. Eastern Time. The webcast and associated slides can be accessed through Eversource Energy'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. In addition, utility electric margin and utility natural gas margin are non-GAAP financial measures. Management uses these non-GAAP financial measures to evaluate earnings results, provide details of earnings results by business, and more fully compare and explain our third quarter and first nine months 2018 and 2017 results. Management believes that these measurements are 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 common shareholders 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, cyberattacks 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 inaction 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 in 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 our access to necessary capital more difficult or costly, changes in laws, regulations or regulatory policy, including compliance with environmental laws and regulations, 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.

EVERSOURCE ENERGY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of September 30, 2018	As of December 31, 2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 59,092	\$ 38,165
Receivables, Net	1,091,589	925,083
Unbilled Revenues	170,044	201,361
Fuel, Materials, Supplies and Inventory	192,508	223,063
Regulatory Assets	436,704	741,868
Prepayments and Other Current Assets	203,434	138,009
Assets Held for Sale	—	219,550
Total Current Assets	2,153,371	2,487,099
Property, Plant and Equipment, Net	24,967,702	23,617,463
Deferred Debits and Other Assets:		
Regulatory Assets	4,716,631	4,497,447
Goodwill	4,427,266	4,427,266
Marketable Securities	585,960	585,419
Other Long-Term Assets	664,739	605,692
Total Deferred Debits and Other Assets	10,394,596	10,115,824
Total Assets	\$ 37,515,669	\$ 36,220,386
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable	\$ 1,067,200	\$ 1,088,087
Long-Term Debt – Current Portion	387,310	549,631
Rate Reduction Bonds – Current Portion	52,332	—
Accounts Payable	962,298	1,085,034
Obligations to Third Party Suppliers	199,762	144,046
Regulatory Liabilities	344,708	128,071
Other Current Liabilities	616,662	594,176
Total Current Liabilities	3,630,272	3,589,045
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	3,386,324	3,297,518
Regulatory Liabilities	3,706,792	3,637,273
Derivative Liabilities	385,865	377,257
Accrued Pension, SERP and PBOP	1,013,182	1,228,091
Other Long-Term Liabilities	1,094,019	1,073,501
Total Deferred Credits and Other Liabilities	9,586,182	9,613,640
Long-Term Debt	12,151,536	11,775,889
Rate Reduction Bonds	583,331	—
Noncontrolling Interest – Preferred Stock of Subsidiaries	155,570	155,570
Common Shareholders' Equity:		
Common Shares	1,669,392	1,669,392
Capital Surplus, Paid In	6,234,044	6,239,940
Retained Earnings	3,882,695	3,561,084
Accumulated Other Comprehensive Loss	(59,582)	(66,403)
Treasury Stock	(317,771)	(317,771)
Common Shareholders' Equity	11,408,778	11,086,242
Total Liabilities and Capitalization	\$ 37,515,669	\$ 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 September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating Revenues	\$ 2,271,425	\$ 1,988,512	\$ 6,413,243	\$ 5,856,458
Operating Expenses:				
Purchased Power, Fuel and Transmission	842,291	651,776	2,442,953	1,955,129
Operations and Maintenance	344,475	307,773	970,881	956,274
Depreciation	208,671	194,466	612,077	571,152
Amortization	92,711	41,848	174,108	58,058
Energy Efficiency Programs	129,965	129,205	366,162	391,761
Taxes Other Than Income Taxes	187,291	168,193	547,155	479,648
Total Operating Expenses	1,805,404	1,493,261	5,113,336	4,412,022
Operating Income	466,021	495,251	1,299,907	1,444,436
Interest Expense	125,201	108,719	372,734	319,477
Other Income, Net	16,718	28,536	100,656	79,178
Income Before Income Tax Expense	357,538	415,068	1,027,829	1,204,137
Income Tax Expense	66,278	152,818	220,497	447,921
Net Income	291,260	262,250	807,332	756,216
Net Income Attributable to Noncontrolling Interests	1,880	1,880	5,639	5,639
Net Income Attributable to Common Shareholders	\$ 289,380	\$ 260,370	\$ 801,693	\$ 750,577
Basic Earnings Per Common Share	\$ 0.91	\$ 0.82	\$ 2.53	\$ 2.36
Diluted Earnings Per Common Share	\$ 0.91	\$ 0.82	\$ 2.52	\$ 2.36
Dividends Declared Per Common Share	\$ 0.51	\$ 0.48	\$ 1.52	\$ 1.43
Weighted Average Common Shares Outstanding:				
Basic	317,360,110	317,393,029	317,367,252	317,415,848
Diluted	317,967,311	317,949,396	317,948,498	318,007,042

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 CASH FLOWS
(Unaudited)

For the Nine Months Ended September 30,

(Thousands of Dollars)

2018

2017

Operating Activities:

Net Income	\$	807,332	\$	756,216
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:				
Depreciation		612,077		571,152
Deferred Income Taxes		70,402		374,863
Uncollectible Expense		50,720		30,111
Pension, SERP and PBOP Expense, Net		5,192		16,891
Pension and PBOP Contributions		(188,874)		(197,900)
Regulatory Overrecoveries, Net		189,932		185,952
Amortization		174,108		58,058
Other		(129,039)		(197,876)
Changes in Current Assets and Liabilities:				
Receivables and Unbilled Revenues, Net		(212,326)		(107,473)
Fuel, Materials, Supplies and Inventory		44,702		23,686
Taxes Receivable/Accrued, Net		70,885		88,856
Accounts Payable		(72,591)		(96,551)
Other Current Assets and Liabilities, Net		(14,858)		(30,138)
Net Cash Flows Provided by Operating Activities		<u>1,407,662</u>		<u>1,475,847</u>

Investing Activities:

Investments in Property, Plant and Equipment		(1,885,081)		(1,642,280)
Proceeds from Sales of Marketable Securities		405,276		520,664
Purchases of Marketable Securities		(396,277)		(506,302)
Proceeds from the Sale of PSNH Generation Assets		193,924		—
Other Investing Activities		(23,405)		(24,173)
Net Cash Flows Used in Investing Activities		<u>(1,705,563)</u>		<u>(1,652,091)</u>

Financing Activities:

Cash Dividends on Common Shares		(480,082)		(451,562)
Cash Dividends on Preferred Stock		(5,639)		(5,639)
Decrease in Notes Payable		(222,110)		(231,500)
Issuance of Rate Reduction Bonds		635,663		—
Issuance of Long-Term Debt		1,300,000		1,250,000
Retirement of Long-Term Debt		(860,855)		(320,000)
Other Financing Activities		(20,361)		171
Net Cash Flows Provided by Financing Activities		<u>346,616</u>		<u>241,470</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash		48,715		65,226
Cash, Cash Equivalents and Restricted Cash - Beginning of Period		85,890		106,750
Cash, Cash Equivalents and Restricted Cash - End of Period	\$	<u>134,605</u>	\$	<u>171,976</u>

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.