



# **May 2020 Investor Calls**



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

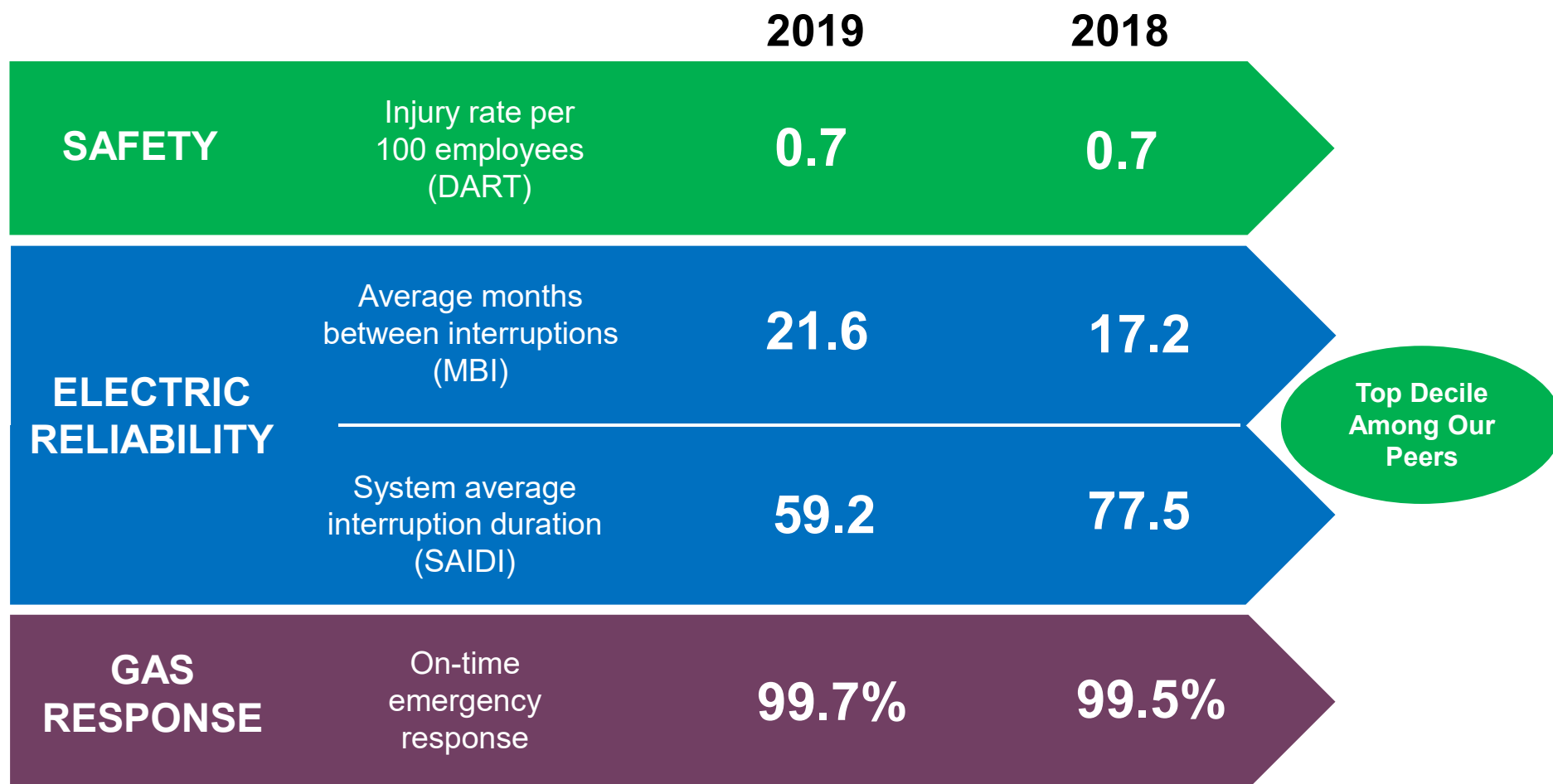
- Extensive efforts to protect employees, moving to remote working, hygienically cleaning facilities and fleet, promoting social distancing
- Essential field work continues with states exempting utility work from statewide business restrictions
- Since early March, approximately 4,000 employees normally 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 April 30, 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%

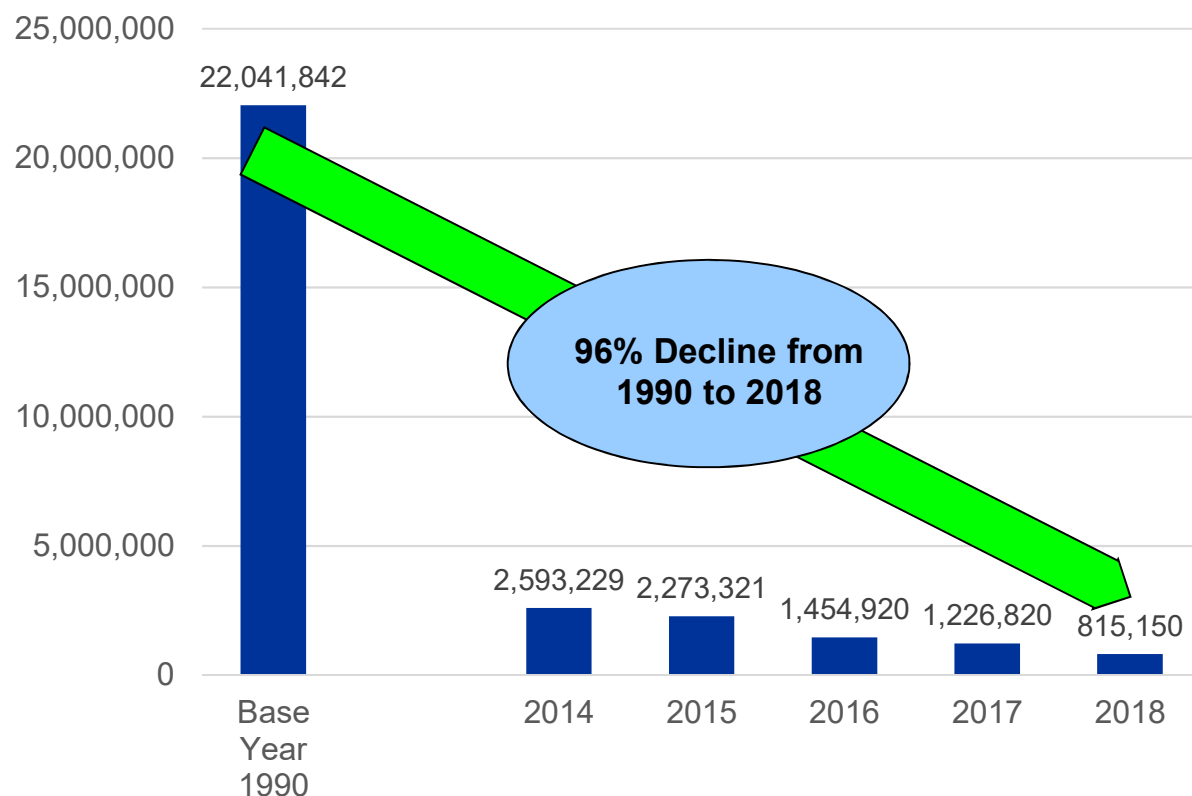
\*3-year, 5-year, and 10-year for periods ended 12/31/19

## Operating Performance Continues to Improve



# Eversource Only US Energy Utility Targeting Carbon Neutrality By 2030

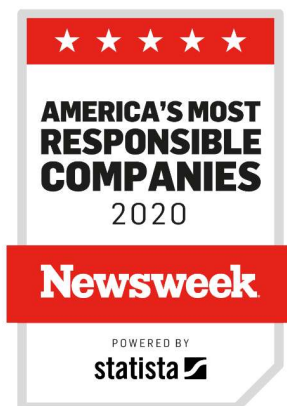
## Eversource GHG Emissions in Metric Tonnes CO<sub>2</sub>e



## 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.
- Increase investments in renewable generation that will further reduce the carbon footprint of our operations.

# Eversource Recognized as the Leading Energy Company



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

*#1 for utilities on list of America's Most Just Companies*



*Eversource became a Most Honored Company in 2020*



*Top level ESG and ESG risk rating*

## 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

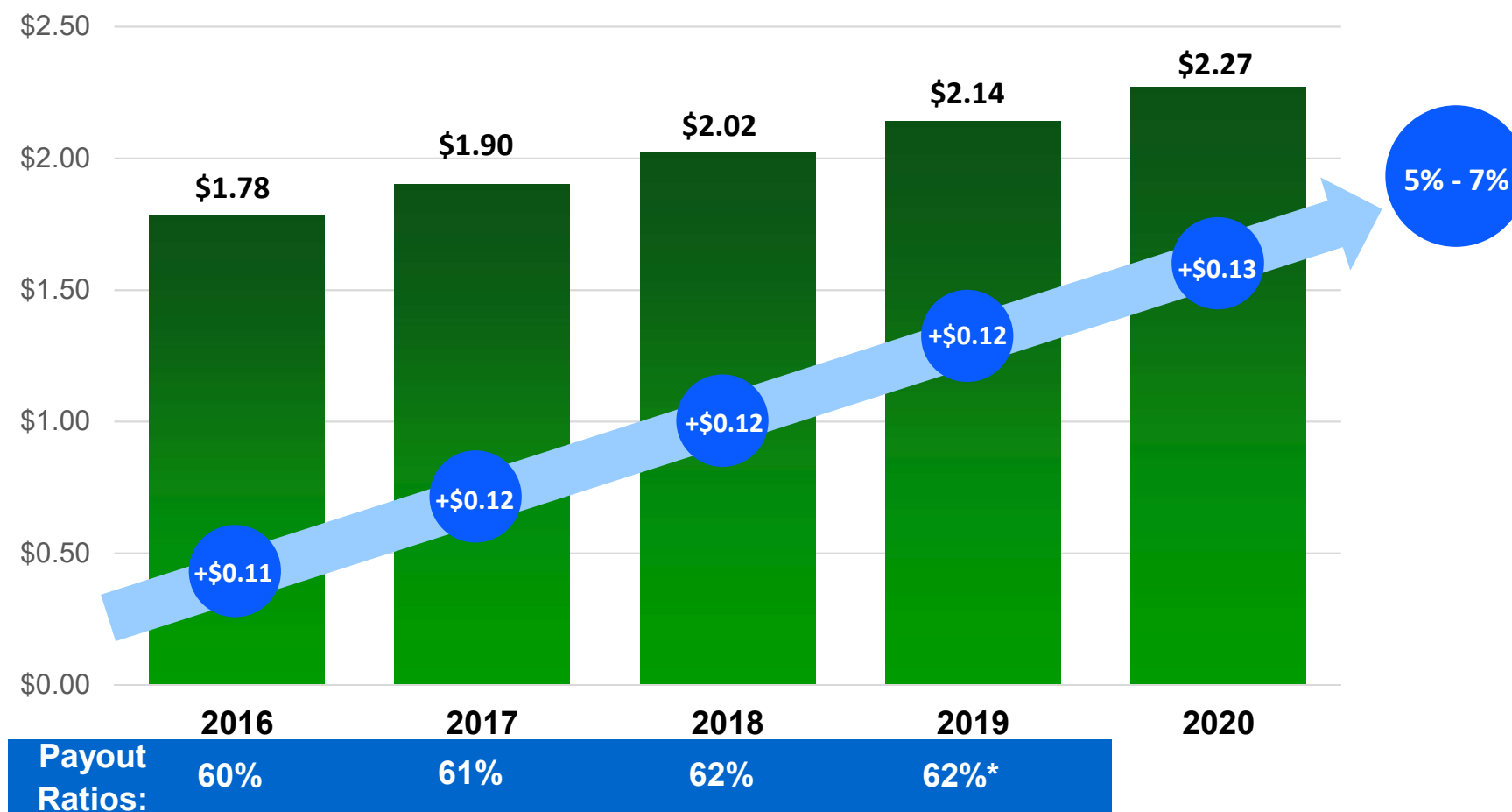


- Higher depreciation and property taxes
- Higher interest expense
- Higher share count



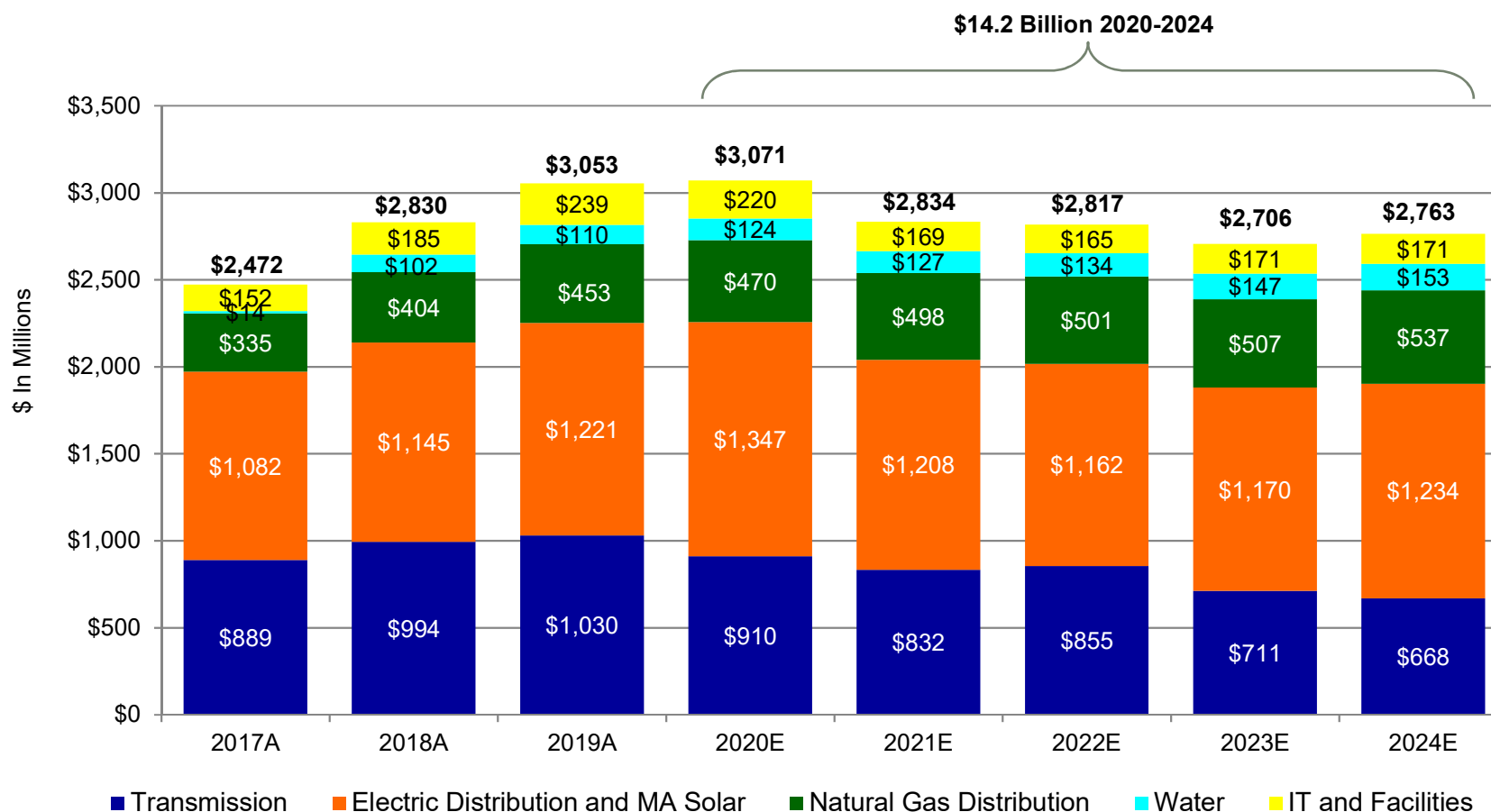
# Dividend Growth Continues to Outperform Peers

## Annualized Dividend

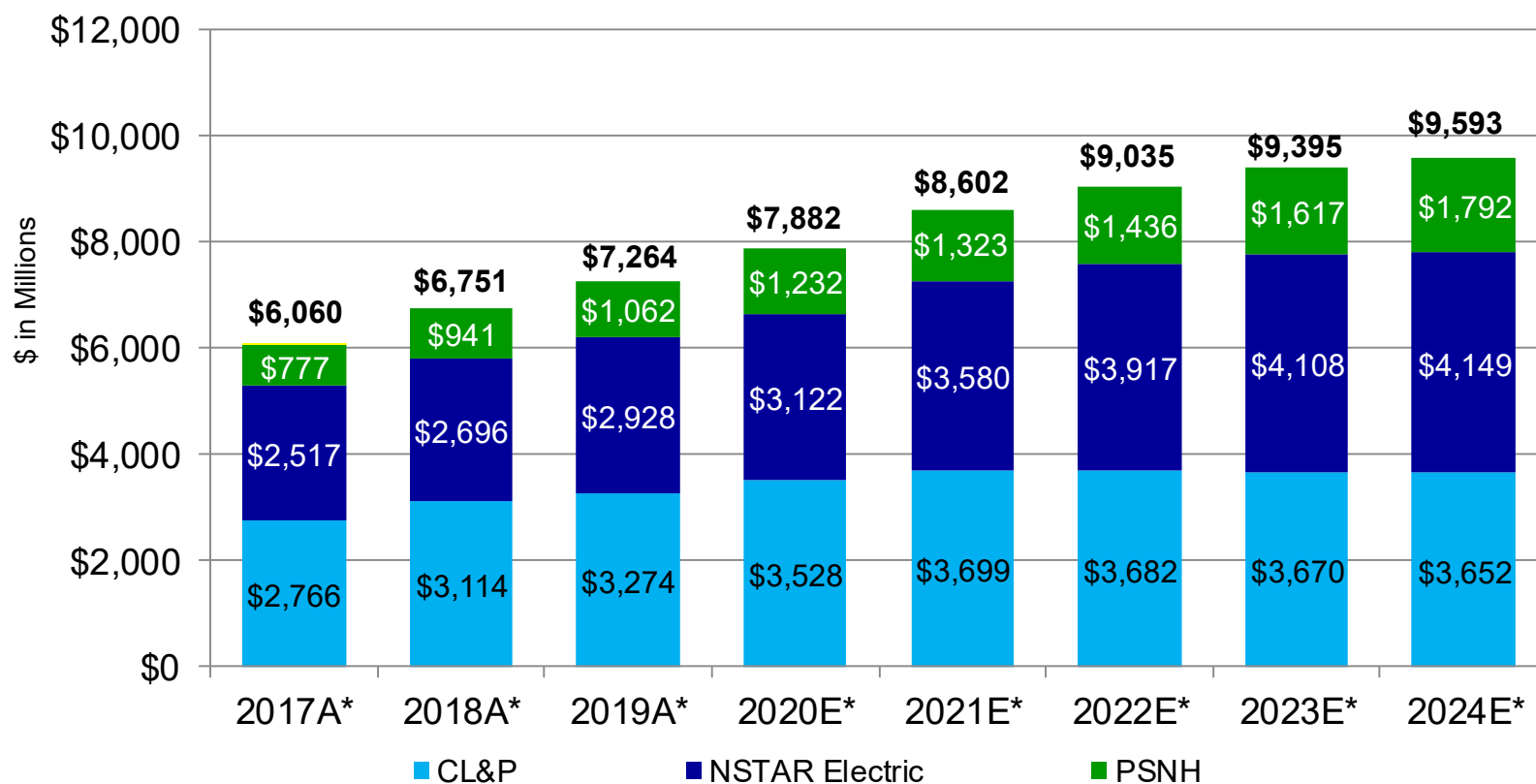


\*Excludes charges related to NPT in 2019

# Projected Capital Expenditures For Core Businesses



# Transmission Rate Base Growth Projections

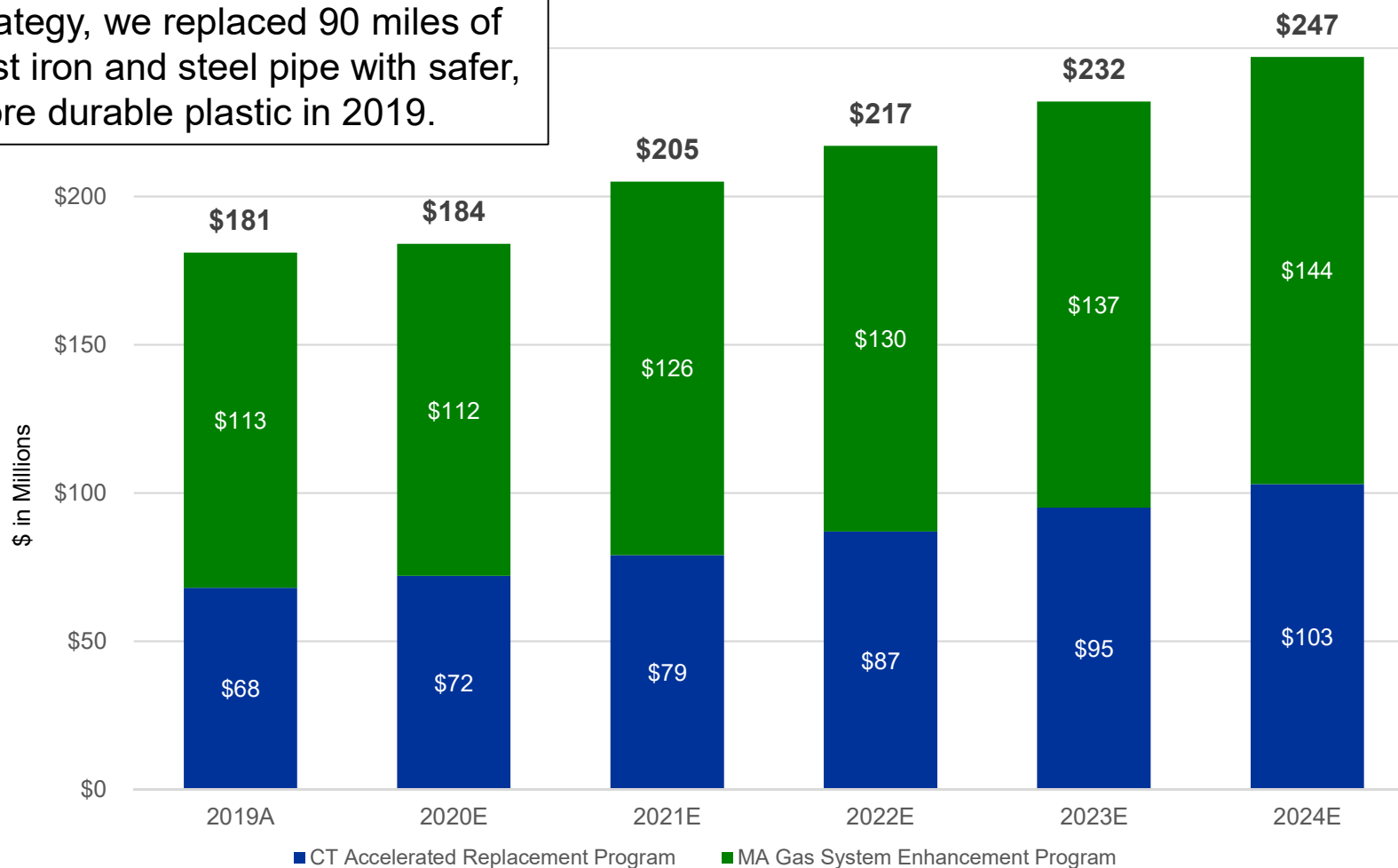


\*Rate base figures do not include CWIP

# 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.

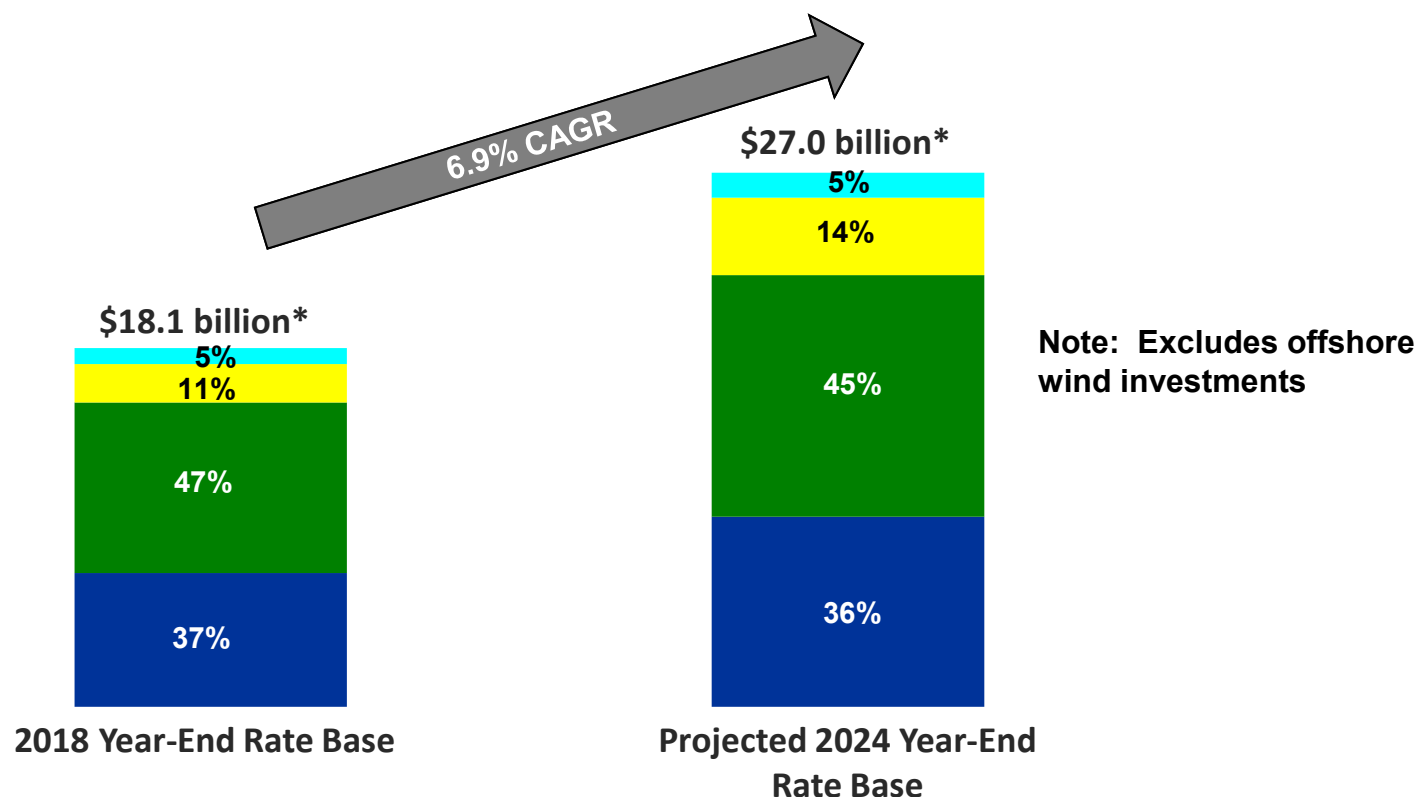


# Incremental Investments Expected to Grow Aquarion Rate Base Nearly 3 Times Faster Than Before Eversource Acquisition



\*Reflects rate base reduction due to Town of Hingham, MA vote in April 2019 to acquire Aquarion MA's assets in Hingham, Hull, and N. Cohasset for more than \$100 million.

## Rate Base by Core Business – Current and Future



■ Transmission
 ■ Electric Distribution & MA Solar
 ■ Natural Gas Distribution
 ■ Water

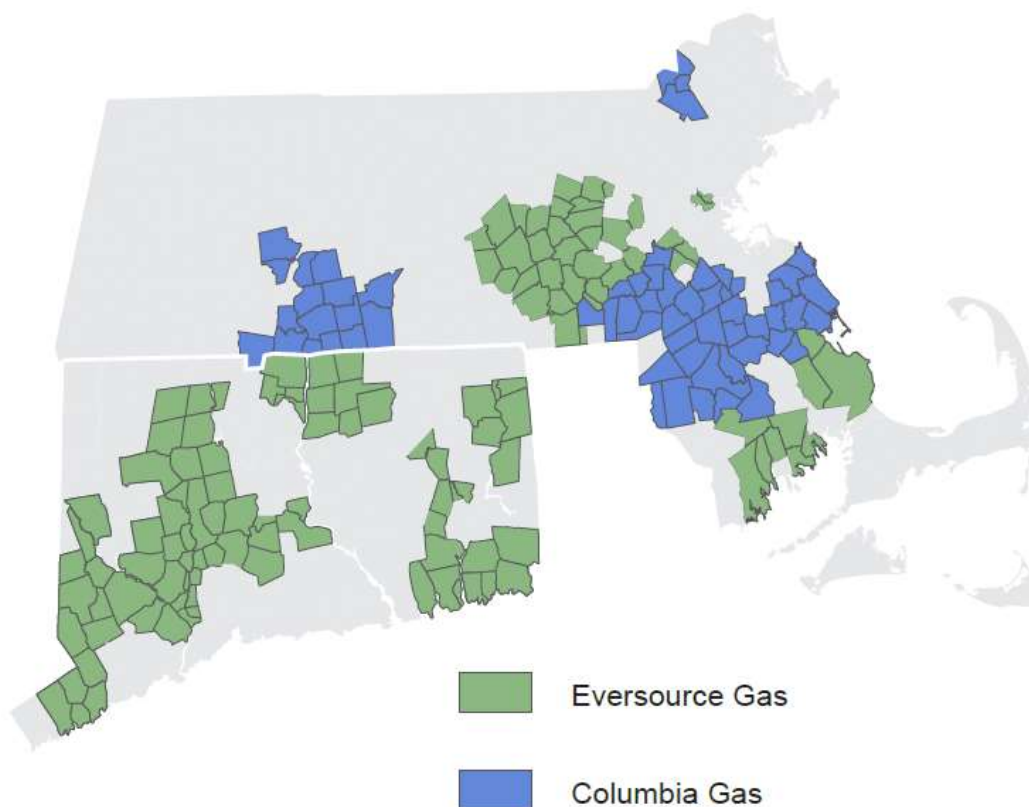
\*Rate base estimates do not include CWIP, which totaled \$1.72 billion as of 12/31/18

## **What Would be Additive to the Core Business Investment Forecast?**

- **Grid modernization at CL&P, PSNH**
- **AMI**
- **Additional capital requirements resulting from MA statewide natural gas distribution assessment**
- **Columbia Gas of MA acquisition**

## 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





## 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

# NSTAR Electric Clean Energy and Grid Modernization Initiatives



## Solar:

- All sites now in service
- 70 MW in operation



## Storage:

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



## EV Infrastructure:

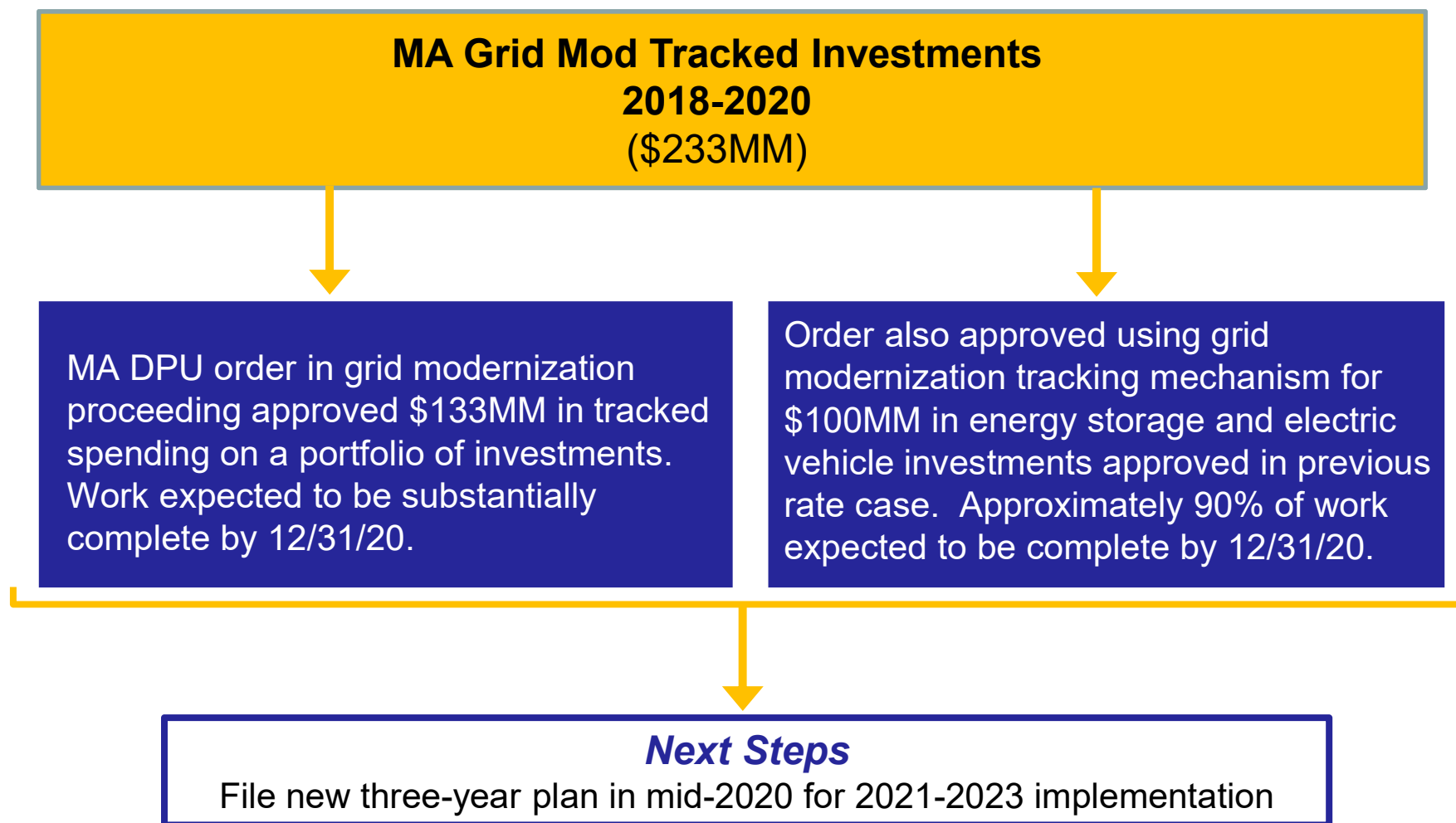
- Executing on \$45 million effort to build 3,500 new charging ports
- Expected completion by early/mid 2021



## Grid Modernization:

- Approved \$133 million in grid facing investments in visibility and automation
- New 2021-2023 plan due to DPU by mid-2020

## MA Grid Mod Status – Implementing 2018-2020 Plan Preparing Filing for 2021-2023 Plan



# Framework for an Equitable Modern Grid in CT

- PURA decision released on 10/2/19 focused on multiple objectives
  - Removing barriers to the growth of CT's green economy
  - Enabling transition to decarbonize future focused on efforts in power generation, transportation and heating and cooling
  - Addressing resilience reliability and standards system-wide and deploy or enhance use of AMI
  - Addressing energy affordability
- Focus is on the following eleven topics:

## Open Dockets

- AMI
- Electric Storage
- Zero emission vehicles
- Innovative technology
- Interconnection standards
- Energy affordability

## Later in 2020

- Non-wires alternatives
- Resilience & reliability standards & programs
- Distributed energy resources

## Subsequent Topics

- Rate designs
- Resource adequacy and clean-energy supply

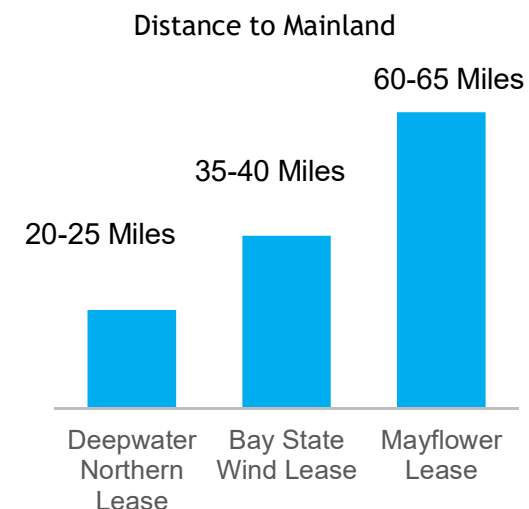
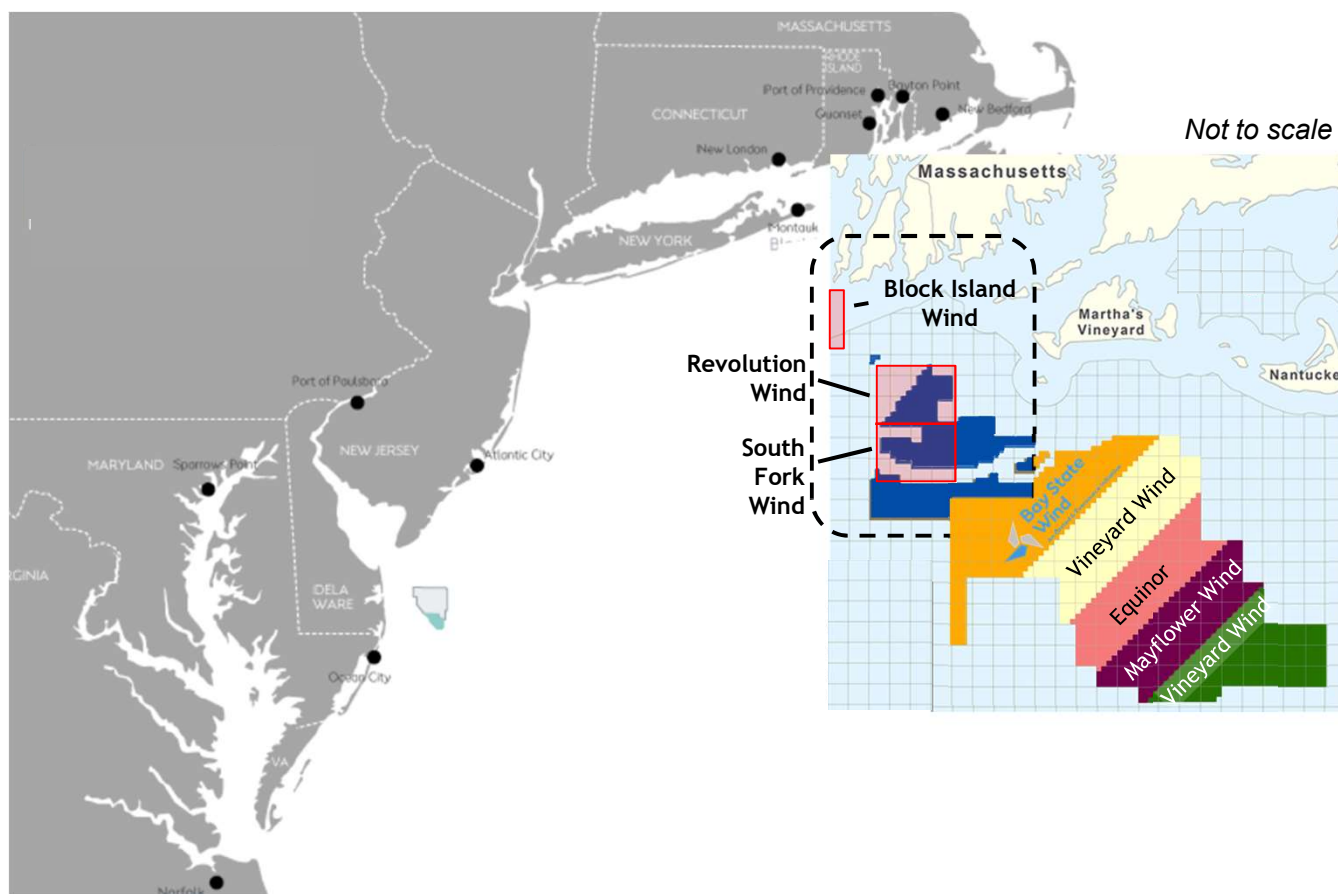
- On May 6, 2020, PURA issued RFPs in the six open dockets
- CL&P plans to submit proposals for each of the open dockets in June/July 2020

# 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 ~ \$86.25/MWH for 40 MW (avg. annual escalator: 2%)	\$98.43/MWH for RI (no escalator) CT pricing not disclosed	\$110.37/MWH (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 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

# Our Competitiveness in New England and New York Auctions Benefits From Our Superior Lease Locations

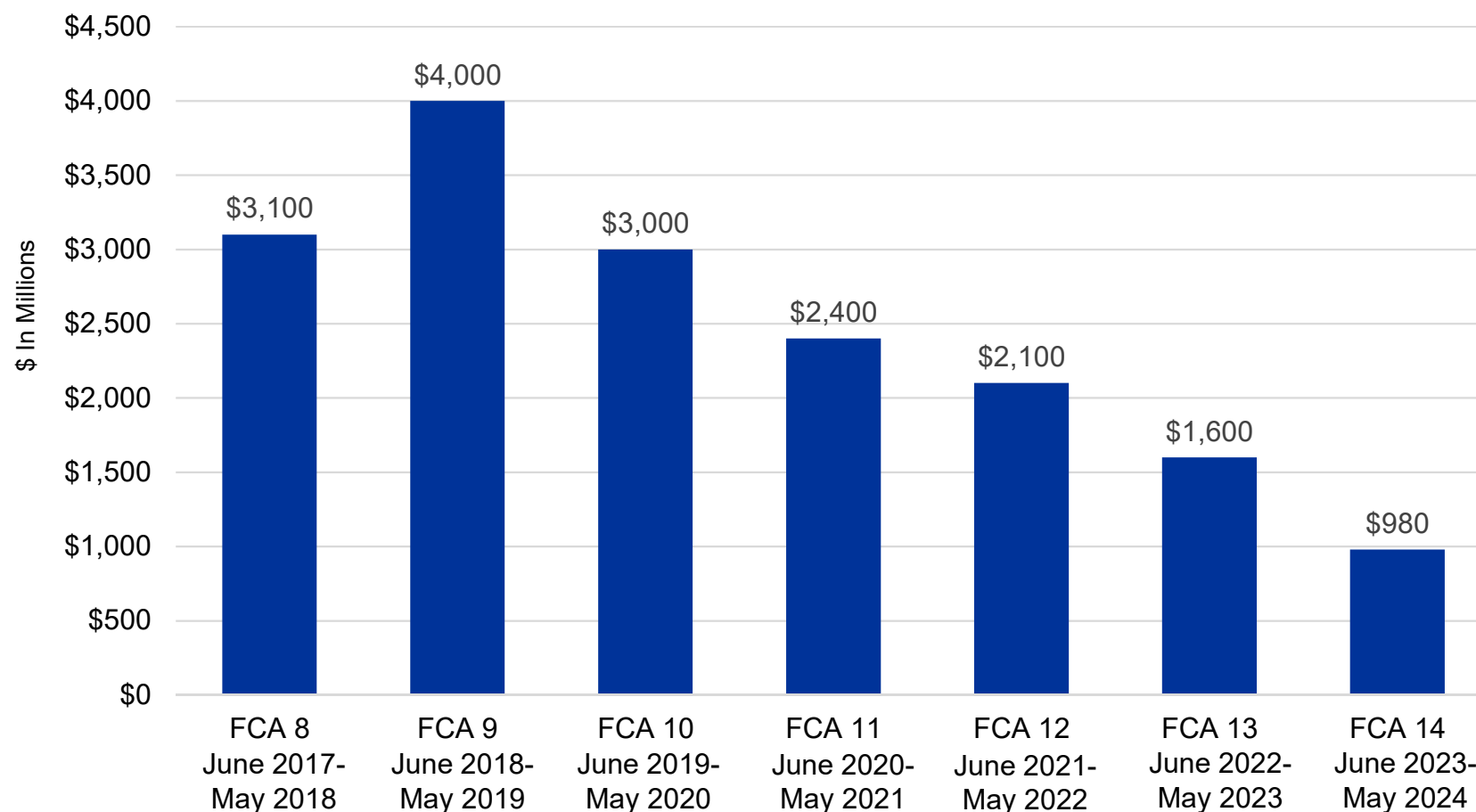




## Key Factors Helping to Keep Customer Bills In Check

- Decline in Eversource O&M
  - Down approximately \$220 million from 2012
- Lower corporate tax rates flowing through to customers
  - Estimated savings of approximately \$300 million annually, including EDIT refunds
- Increased efficiency of buildings and appliances
- 75% reduction of generating capacity costs from May 2019 through June 2023

## Estimated Generation Capacity Costs Paid By New England Electric Customers



Source – ISO-NE FCA news releases



## 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

# Recent 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 again in a November 2019 MISO TO Order and applied only DCF & CAPM methodologies; impact on New England cases unclear
- 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

## 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

## **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 closed May 7 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