

Eversource Energy

Investor Call

July 31, 2015

Safe Harbor

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Agenda

	<p>Jim Judge <i>Executive Vice President & Chief Financial Officer</i></p>	<ul style="list-style-type: none">■ Q2 2015 Performance■ Regulatory and Capital Investment Update
	<p>Lee Olivier <i>EVP Enterprise Strategy & Business Development</i></p>	<ul style="list-style-type: none">■ New England Market Update■ Northern Pass■ Access Northeast



Jim Judge
*Executive Vice President &
Chief Financial Officer*

Earnings Per Share By Business Units 2015 vs. 2014

EPS	Q2 2015	Q2 2014	First Half 2015	First Half 2014
Electric Distribution	\$0.38	\$0.26	\$0.80	\$0.62
Electric Transmission	\$0.25	\$0.14	\$0.46	\$0.37
Natural Gas Distribution	\$0.02	\$0.01	\$0.19	\$0.17
Parent & Other	\$0.01	\$0.01	\$0.02	\$0.02
Recurring EPS	\$0.66	\$0.42	\$1.47	\$1.18
Integration Costs	(\$0.01)	(\$0.02)	(\$0.02)	(\$0.03)
Reported EPS (GAAP)	\$0.65	\$0.40	\$1.45	\$1.15

Up \$0.24 (between Q2 2015 and Q2 2014 for Recurring EPS)
 Up \$0.29 (between First Half 2015 and First Half 2014 for Recurring EPS)

Key Drivers in Improved Q2 Results

2014	Results	
	GAAP EPS	\$0.40
	Integration Costs	<u>\$0.02</u>
	EPS Excluding Integration Costs	\$0.42
2015	Changes	
	Absence of 2014 FERC charge	\$0.10
	Higher transmission rate base	\$0.01
	Higher Retail Electric Revenues	\$0.10
	Lower Non-Tracked O&M	\$0.06
	Higher Depreciation, Amortization, Property Taxes	(\$0.06)
	Other	<u>\$0.03</u>
	EPS Excluding Integration Costs	\$0.66
	Integration Costs	(\$0.01)
	GAAP EPS	\$0.65

NHPUC Now Reviewing Formal Settlement Agreement to Divest PSNH Generation



- Nearly 1,200 MW of coal, oil, hydro, biomass
- Parties to settlement agreement include Eversource, NHPUC staff, two state senators, Governor's Energy Office, Consumer Advocate
- NHPUC must approve settlement agreement before sale process begins
- Legislation to permit securitization of stranded costs signed on 7/9/15
- Sale expected to close by end of 2016 with securitization in early 2017
- PSNH to forego \$25 million of equity return not yet recognized on scrubber
- Eversource shareholders to fund \$5 million clean energy initiative
- PSNH to forego distribution rate case until at least mid-2017
- Various conditions for plant sale
 - Honor collective bargaining agreement
 - All plants in service for at least 18 months after purchase
 - Tax stabilization payments to host towns for up to 3 years

CL&P

- Settlement of ADIT issues approved by PURA on 7/2/15
- Incremental \$18 million/year of revenues retroactive to 12/1/14
- Customer billings deferred until 12/1/15

MA GAS

- HOPCO LNG cost recovery (approved)
- Accelerated legacy pipe replacement (approved)
- NSTAR Gas proposed \$23 million base rate increase effective 1/1/16 (ongoing)
 - Hearings concluded in June
 - Decision expected in Q4 2015
 - Proposed ROE of 10.25% (earned 7.36% in 2014)

**New England
Transmission**

- DC Circuit appeal of FERC decision on first complaint (10.57% base ROE; 11.74% high end)
- Hearings ended 7/3/15 on second and third complaints
- NETOs seeking to maintain ROE methodology allowed in first complaint
- ALJ ruling due by year-end 2015
- FERC decision expected in third quarter 2016

Progress on Major CT, NH Transmission Reliability Projects

Interstate Reliability Project

- Joint project with National Grid
- Construction began in March 2014
- 97% complete as of June 30, 2015
- 29 miles from Lebanon – Killingly, CT energized in June. Remaining 8 miles in CT to be energized later this year
- Project is on target to achieve its projected investment of \$218 million

Merrimack Valley Reliability Project

- Related to Greater Boston Solutions
- Filed siting application with NHSEC on July 21
- 18 miles in NH (10 for Eversource, 8 for National Grid)
- Eversource section to cost approximately \$37 million



Greater Hartford Central Connecticut Reliability Project (GHCC)

- 5 sets of projects for Greater Hartford, Manchester, Southington, Middletown and NW CT
- First two substation projects approved construction commencement this summer
- Projected completion: 2018
- Total projected investment: \$350 million

Seacoast Reliability Project

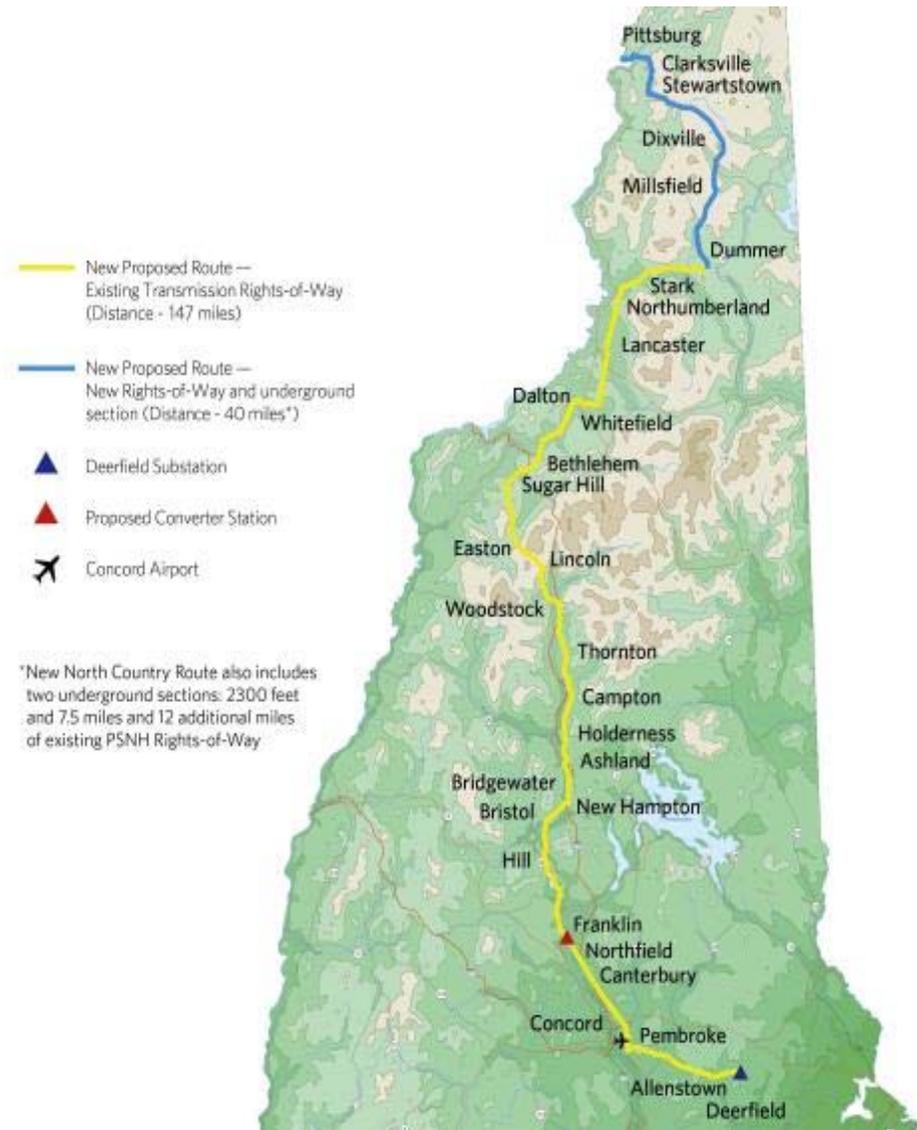
- 13 miles from Madbury, NH to Portsmouth, NH
- Combination overhead, underground, submarine
- Open houses held
- \$70 million cost estimate under review as we address town concerns

Lee Olivier

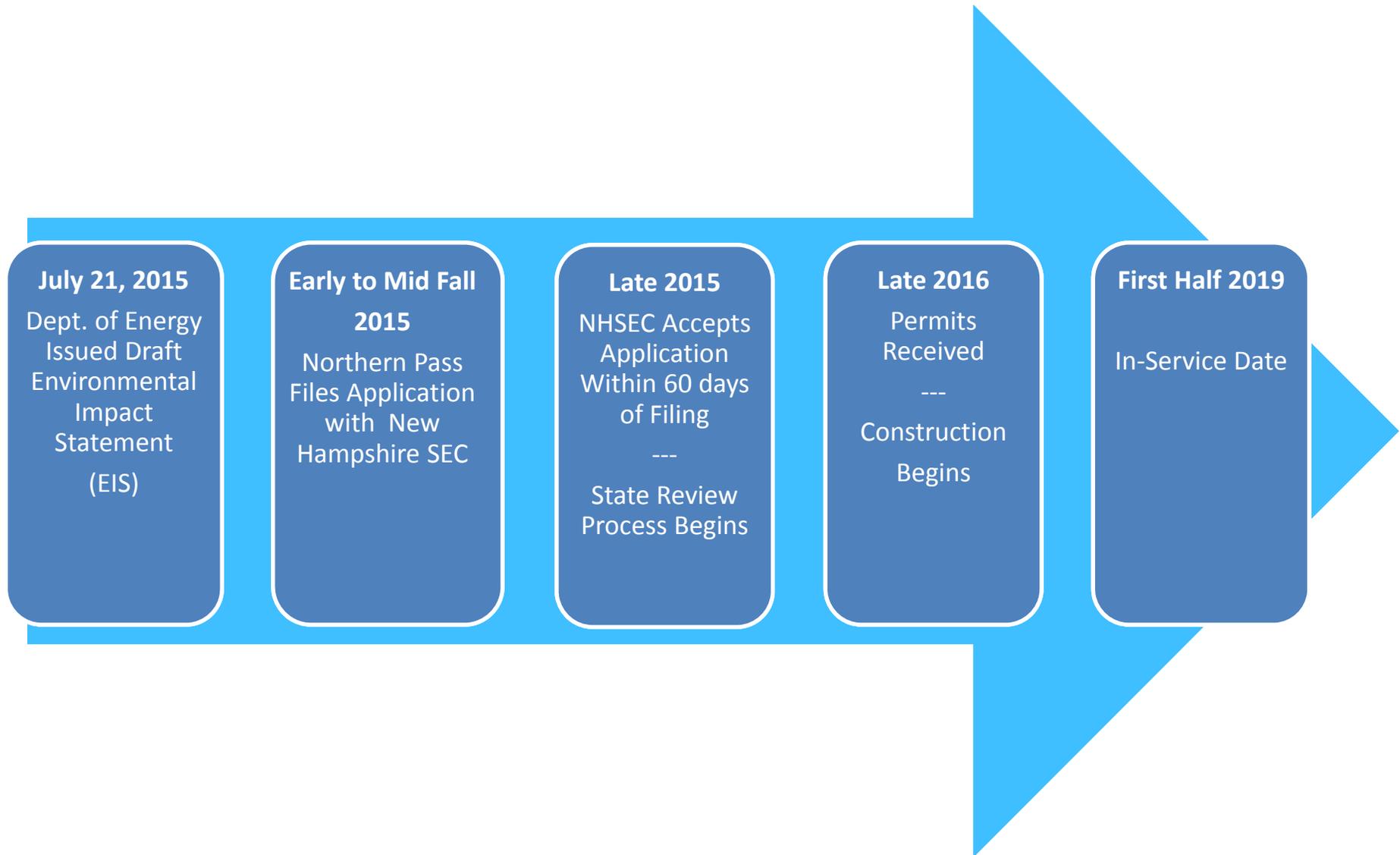
*EVP Enterprise Energy Strategy &
Business Development*

NPT - Overview

- 1,200 MW of clean energy
- \$1.4 billion HVDC line, terminal and AC facilities
- Approximately 187 miles of new transmission using HVDC technology with AC/DC converters in Quebec and NH
- I.3.9 approval was granted by ISO-NE on 12/31/2013
- DOE draft EIS issued July 21, 2015
- Expected to provide significant benefits to the region:
 1. Energy and capacity value through reduced wholesale market prices – more than \$300 million per year for New England
 2. Environmental value through carbon emissions reductions – annual reduction of 3 - 5 million tons of CO₂
 3. Economic value through construction jobs and new tax base – 1,200 jobs and \$28 million in annual property tax payments
 4. Reduces growing dependence on natural gas generation



Northern Pass Timeline



New England States Addressing Energy Issues

Three-state Clean Energy RFP**CT**

- Solicitation for clean energy and transmission
- Procurement authority includes:
 - PA 13-303 – 1,375,000 mwh annually
 - PA 15-107 – 2,750,000 mwh annually
- CT PURA approval of the RFP is not required

MA

- Solicitation for clean energy and transmission
- Procurement authority includes:
 - Section 83a – 800,000 mwh annually
- DPU reviewing RFP (Docket 15-84)

RI

- Solicitation for transmission to enable clean energy
- PUC reviewing RFP (Docket 4570)

New England States Addressing Energy Issues

<i>Electric Distribution Co. (EDC) Purchase of Natural Gas Pipeline Capacity</i>	
<i>CT</i>	Public Act 15-107 enacted June 22, 2015; RFPs under development; allows for procurement of up to 375 mmcf/day of gas infrastructure
<i>MA</i>	DPU opened investigation in April (15-37: Investigation into the means by which new natural gas delivery capacity may be added to the New England Market); stakeholder comments submitted June and July; decision expected in Q315
<i>NH</i>	PUC opened docket in April (IR 15-124: "Investigation into Potential Approaches to Ameliorate Adverse Wholesale Electricity Market Conditions in New Hampshire"); stakeholder comments submitted in June; staff report due September
<i>ME</i>	Conducted RFP in 2014; consultant analysis of proposals issued in July. Maine PUC to hold technical conference in early September
<i>RI</i>	2013 Energy Security Act allows RI EDCs to pursue contracts
<i>VT</i>	TBD