



# **2018 Second Quarter Results Investor Call**

**August 1, 2018**



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## Second Quarter and First Half 2018 Results

	2Q 2018	2Q 2017	2Q Change	1H 2018	1H 2017	1H Change
Electric Distribution	\$0.32	\$0.38	\$0.06	\$0.65	\$0.74	\$0.09
Electric Transmission	0.35	0.30	0.05	0.69	0.60	0.09
Natural Gas Distribution	0.02	0.01	0.01	0.20	0.17	0.03
Water Distribution	0.02	0.00	0.02	0.03	0.00	0.03
Parent & Other	0.05	0.03	0.02	0.04	0.03	0.01
Reported EPS (GAAP)	\$0.76	\$0.72	\$0.04	\$1.61	\$1.54	\$0.07

## Recent Regulatory Developments

### *Connecticut:*

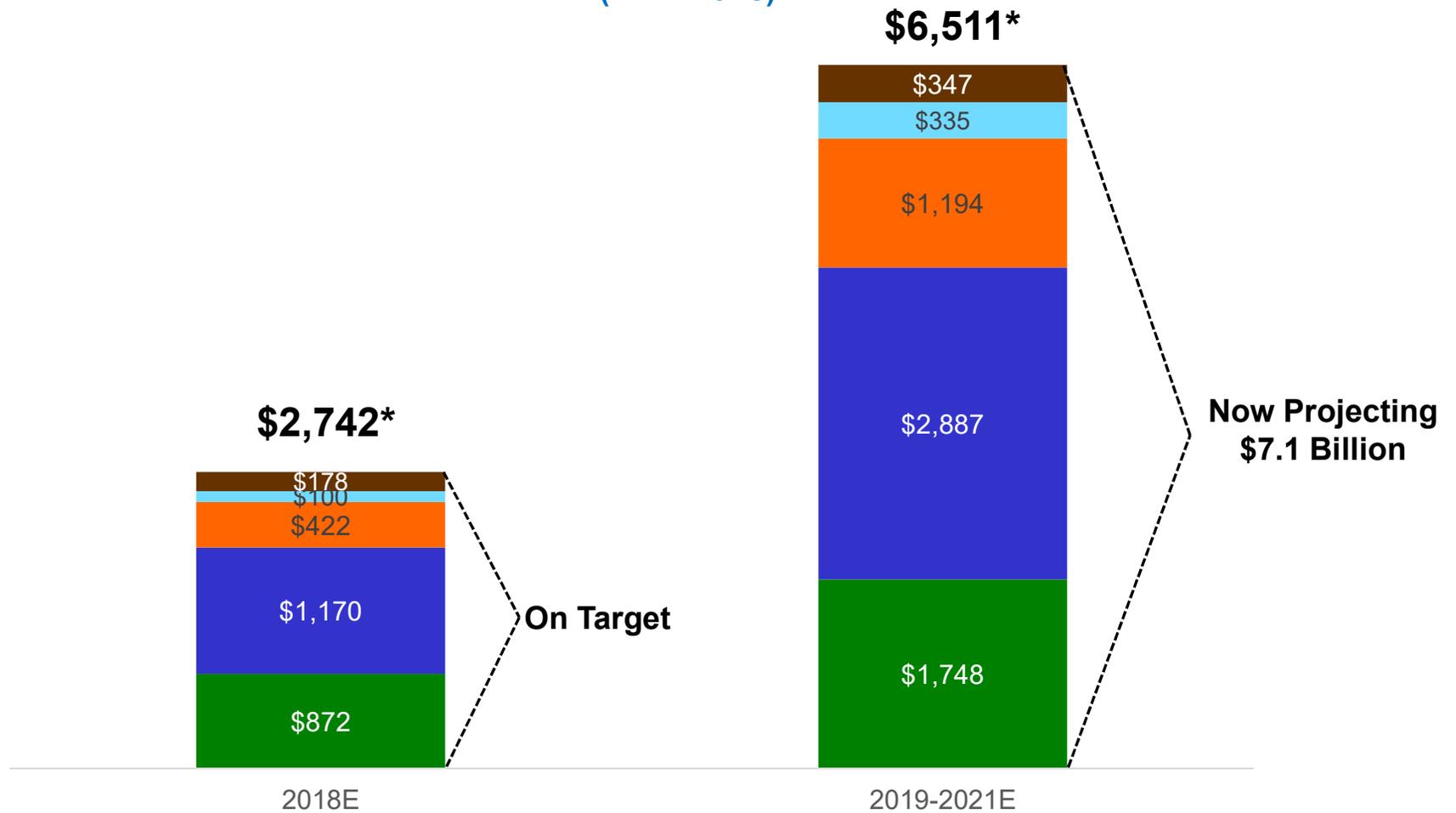
- New CL&P rates took effect 5/1/18
- Yankee Gas filed three-year rate plan with PURA
  - Increases requested of \$49 million on 1/1/19, \$21 million on 1/1/20, and \$16 million on 1/1/21
  - Requested 10.25% ROE
  - Proposed capital investment of \$211.8 million in 2019; \$223.6 million in 2020; \$232.8 million in 2021 (\$156.4 million in 2017)
  - Implementation of revenue decoupling

### *Massachusetts:*

- DPU approved 3-year grid modernization plan for NSTAR Electric
  - \$133 million capital investment from 2018-2020 all on grid facing technology solutions
  - \$100 million for battery storage and EV infrastructure approved in 2017 rate case
  - Investment to be recovered through a capital tracker
  - New 3-year grid modernization plan will be filed in 2020 for 2021-2023 time period

# Mid-Year Update to Our Utility Core Business Four-Year Capital Plan

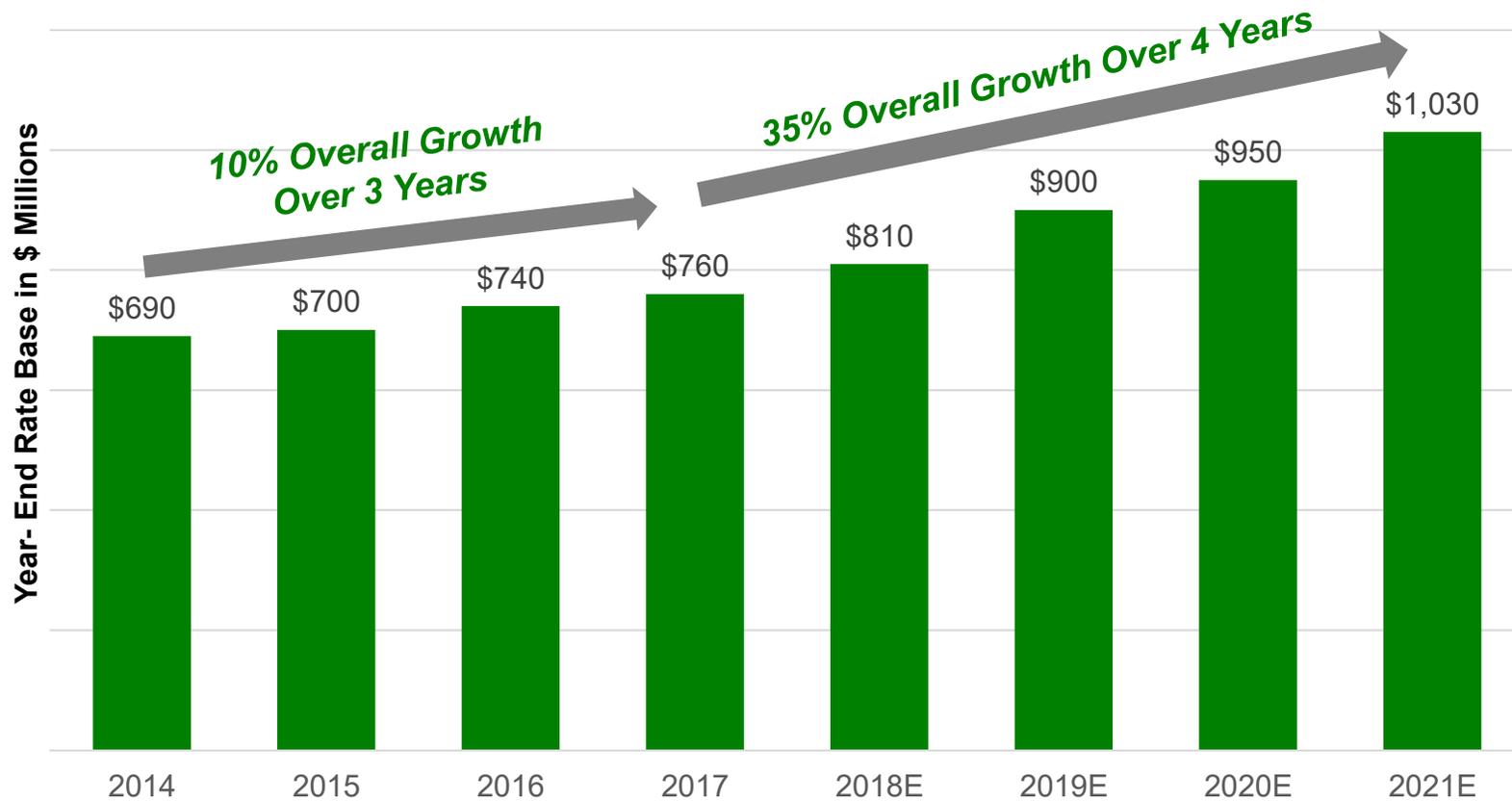
(in millions)



■ Transmission   ■ Electric Distribution & Solar   ■ Gas Distribution   ■ Water   ■ Other, Including IT

\* February 2018 10-K estimate

## Incremental Investments Expected to Grow Aquarion Rate Base 2 to 3 Times Faster Than Before Eversource Acquisition



## Drivers of Expected Increase in Utility Capital Expenditures

### Transmission (up \$300M since February):

- Additional investments in structures and system hardening as a result of robust maintenance programs and post-March and May storm assessments

### Electric Distribution (up \$200M since February):

- Additional automation, distribution facility upgrades and storm hardening investments identified during March and May post-storm assessments
- Greater than expected customer growth rate in Greater Boston area driving need for increased substation investments

### Natural Gas Distribution (up \$100M since February):

- Acceleration of cast iron and bare steel pipe replacement programs in MA
- Additional plant upgrades at Hopkinton LNG facility for reliability

**Eversource can achieve long-term EPS growth around the middle of its 5% to 7% CAGR with no major projects (Northern Pass, Off-Shore Wind, Access Northeast) and no share repurchases**