

## Eversource Energy Reports Second Quarter Results

**(HARTFORD, Conn. and BOSTON, Mass. – July 31, 2018)** Eversource Energy (NYSE: ES) today reported earnings of \$242.8 million, or \$0.76 per share, in the second quarter of 2018, compared with earnings of \$230.7 million, or \$0.72 per share, in the second quarter of 2017. In the first half of 2018, Eversource Energy earned \$512.3 million, or \$1.61 per share, compared with earnings of \$490.2 million, or \$1.54 per share, in the first half of 2017.

Eversource Energy also 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.

“We had a strong start to the year. Following a number of severe Nor’easters in March and a highly unusual round of tornadoes in western Connecticut in mid-May, our employees worked quickly, effectively and safely to restore electric service to hundreds of thousands of our customers, many of whom experienced unprecedented damage in their neighborhoods,” said Jim Judge, Eversource chairman, president and chief executive officer. “Those storms underscore the need for our continued investment to further improve the reliability and resilience of our electric grid which has been so tested by Mother Nature again this year.”

### Electric Transmission

Eversource Energy’s transmission segment earned \$112.7 million in the second quarter of 2018 and \$220.1 million in the first half of 2018, compared with earnings of \$96.4 million in the second quarter of 2017 and \$190.6 million in the first half of 2017. Improved results were due to a higher level of investment in Eversource’s electric transmission system.

### Electric Distribution

Eversource Energy’s electric distribution segment earned \$101.3 million in the second quarter of 2018 and \$205.5 million in the first half of 2018, compared with earnings of \$121.9 million in the second quarter of 2017 and \$236 million in the first half of 2017. Lower results were due primarily to the divestiture of New Hampshire generation assets, higher property tax expense, and the timing of electric revenues under the recently implemented revenue decoupling for eastern Massachusetts customers. These factors were partially offset by distribution rate adjustments.

## Natural Gas Distribution

Eversource Energy's natural gas distribution segment earned \$5 million in the second quarter of 2018 and \$62.8 million in the first half of 2018, compared with earnings of \$4.5 million in the second quarter of 2017 and \$55.3 million in the first half of 2017. Improved results were primarily due to colder weather in 2018, which increased sales in Eversource's Connecticut natural gas business, where sales are not currently decoupled. This factor was partially offset by higher operation and maintenance costs and depreciation expense. Firm natural gas sales rose 6.6 percent in the first half of 2018, compared with the same period of 2017.

## Water Distribution

Eversource's Aquarion Water Company subsidiary earned \$7.2 million in the second quarter of 2018 and \$8.7 million in the first half of 2018. Eversource Energy acquired Aquarion Water in December 2017.

## Eversource Energy Parent and Other Companies

Eversource Energy parent and other companies earned \$16.6 million in the second quarter of 2018 and \$15.2 million in the first half of 2018, compared with \$7.9 million for the second quarter of 2017 and \$8.3 million in the first half of 2017. Improved 2018 results were due primarily to increased gains associated with Eversource's investments in renewable energy facilities and a lower effective tax rate, partially offset by higher interest expense.

The following table reconciles 2018 and 2017 second quarter and first half earnings per share:

		Second Quarter	First Six Months
<b>2017</b>	<b>Reported EPS</b>	<b>\$0.72</b>	<b>\$1.54</b>
	Higher transmission earnings in 2018	0.05	0.09
	Water distribution earnings in 2018	0.02	0.03
	Higher earnings at Eversource parent and other in 2018	0.02	0.01
	Higher natural gas revenues in 2018	0.01	0.02
	Lower non-tracked O&M in 2018	0.01	--
	Lower generation earnings in 2018	(0.02)	(0.04)
	Lower distribution margin in 2018	(0.04)	--
	Higher electric and natural gas depreciation, property tax and interest expense in 2018	(0.02)	(0.04)
	Other	0.01	--
<b>2018</b>	<b>Reported EPS</b>	<b>\$0.76</b>	<b>\$1.61</b>

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

Three months ended:

<i>(in millions, except EPS)</i>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>Increase/ (Decrease)</b>	<b>2018 EPS<sup>1</sup></b>
Electric Transmission	\$112.7	\$96.4	\$16.3	\$0.35
Electric Distribution	101.3	121.9	(20.6)	0.32
Natural Gas Distribution	5.0	4.5	0.5	0.02
Water Distribution	7.2	--	7.2	0.02
Eversource Parent and Other Companies	16.6	7.9	8.7	0.05
<b>Reported Earnings</b>	<b>\$242.8</b>	<b>\$230.7</b>	<b>\$12.1</b>	<b>\$0.76</b>

Six months ended:

<i>(in millions, except EPS)</i>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>Increase/ (Decrease)</b>	<b>2018 EPS<sup>1</sup></b>
Electric Transmission	\$220.1	\$190.6	\$29.5	\$0.69
Electric Distribution	205.5	236.0	(30.5)	0.65
Natural Gas Distribution	62.8	55.3	7.5	0.20
Water Distribution	8.7	--	8.7	0.03
Eversource Parent and Other Companies	15.2	8.3	6.9	0.04
<b>Reported Earnings</b>	<b>\$512.3</b>	<b>\$490.2</b>	<b>\$22.1</b>	<b>\$1.61</b>

Retail sales data:

<b>Three months ended:</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>% Change</b>
<b>Electric Distribution (Gwh)</b>			
Traditional	1,803	1,823	(1.1%)
Decoupled	10,330	10,341	(0.1%)
<b>Total Electric Distribution</b>	<b>12,133</b>	<b>12,164</b>	<b>(0.3%)</b>
<b>Natural Gas Distribution (mmcf)</b>			
Traditional	9,287	7,778	19.4%
Decoupled and Special Contracts	9,645	9,238	4.4%
<b>Total Natural Gas Distribution</b>	<b>18,932</b>	<b>17,016</b>	<b>11.3%</b>

Six months ended:	June 30, 2018	June 30, 2017	% Change
<b>Electric Distribution (Gwh)</b>			
Traditional	5,650	5,522	2.3%
Decoupled	19,704	19,813	(0.6%)
<b>Total Electric Distribution</b>	<b>25,354</b>	<b>25,335</b>	<b>0.1%</b>
<b>Natural Gas Distribution (mmcf)</b>			
Traditional	29,760	26,683	11.5%
Decoupled and Special Contracts	32,223	31,479	2.4%
<b>Total Natural Gas Distribution</b>	<b>61,983</b>	<b>58,162</b>	<b>6.6%</b>

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 August 1, 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](http://www.eversource.com).**

<sup>1</sup> 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 second quarter and first half 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 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](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; 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 June 30, 2018	As of December 31, 2017
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 64,154	\$ 38,165
Receivables, Net	967,590	925,083
Unbilled Revenues	160,301	201,361
Taxes Receivable	156,236	18,682
Fuel, Materials, Supplies and Inventory	171,601	223,063
Regulatory Assets	590,898	741,868
Prepayments and Other Current Assets	107,379	119,327
Assets Held for Sale	59,431	219,550
<b>Total Current Assets</b>	<b>2,277,590</b>	<b>2,487,099</b>
Property, Plant and Equipment, Net	24,476,890	23,617,463
Deferred Debits and Other Assets:		
Regulatory Assets	4,805,440	4,497,447
Goodwill	4,427,266	4,427,266
Marketable Securities	576,440	585,419
Other Long-Term Assets	680,718	605,692
<b>Total Deferred Debits and Other Assets</b>	<b>10,489,864</b>	<b>10,115,824</b>
<b>Total Assets</b>	<b>\$ 37,244,344</b>	<b>\$ 36,220,386</b>
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable	\$ 1,190,810	\$ 1,088,087
Long-Term Debt – Current Portion	387,296	549,631
Rate Reduction Bonds – Current Portion	30,727	—
Accounts Payable	1,010,389	1,085,034
Regulatory Liabilities	247,369	128,071
Other Current Liabilities	662,964	738,222
<b>Total Current Liabilities</b>	<b>3,529,555</b>	<b>3,589,045</b>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	3,473,870	3,297,518
Regulatory Liabilities	3,689,679	3,637,273
Derivative Liabilities	394,459	377,257
Accrued Pension, SERP and PBOP	1,044,397	1,228,091
Other Long-Term Liabilities	1,069,391	1,073,501
<b>Total Deferred Credits and Other Liabilities</b>	<b>9,671,796</b>	<b>9,613,640</b>
Long-Term Debt	12,009,264	11,775,889
Rate Reduction Bonds	604,936	—
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	6,229,247	6,239,940
Retained Earnings	3,753,343	3,561,084
Accumulated Other Comprehensive Loss	(60,988)	(66,403)
Treasury Stock	(317,771)	(317,771)
<b>Common Shareholders' Equity</b>	<b>11,273,223</b>	<b>11,086,242</b>
<b>Total Liabilities and Capitalization</b>	<b>\$ 37,244,344</b>	<b>\$ 36,220,386</b>

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 June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenues	\$ 1,853,856	\$ 1,762,811	\$ 4,141,818	\$ 3,867,946
Operating Expenses:				
Purchased Power, Fuel and Transmission	653,915	549,704	1,600,662	1,303,353
Operations and Maintenance	293,858	310,193	626,406	648,500
Depreciation	199,140	189,881	403,406	376,686
Amortization	36,203	(7,807)	81,397	16,210
Energy Efficiency Programs	101,955	116,398	236,196	262,556
Taxes Other Than Income Taxes	177,431	156,234	359,865	311,455
Total Operating Expenses	1,462,502	1,314,603	3,307,932	2,918,760
Operating Income	391,354	448,208	833,886	949,186
Interest Expense	126,404	107,329	247,533	210,758
Other Income, Net	50,149	29,022	83,938	50,641
Income Before Income Tax Expense	315,099	369,901	670,291	789,069
Income Tax Expense	70,452	137,272	154,219	295,103
Net Income	244,647	232,629	516,072	493,966
Net Income Attributable to Noncontrolling Interests	1,880	1,880	3,759	3,759
Net Income Attributable to Common Shareholders	\$ 242,767	\$ 230,749	\$ 512,313	\$ 490,207
Basic and Diluted Earnings Per Common Share	\$ 0.76	\$ 0.72	\$ 1.61	\$ 1.54
Dividends Declared Per Common Share	\$ 0.51	\$ 0.48	\$ 1.01	\$ 0.95
Weighted Average Common Shares Outstanding:				
Basic	317,344,596	317,391,365	317,370,825	317,427,258
Diluted	317,885,187	317,947,194	317,939,094	318,035,864

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

For the Six Months Ended June 30,

(Thousands of Dollars)	2018	2017
<b>Operating Activities:</b>		
Net Income	\$ 516,072	\$ 493,966
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	403,406	376,686
Deferred Income Taxes	161,883	269,505
Pension, SERP and PBOP (Income)/Expense, Net	(13,436)	11,242
Pension and PBOP Contributions	(179,002)	(91,400)
Regulatory Overrecoveries, Net	36,669	85,792
Amortization	81,397	16,210
Other	(57,253)	(110,355)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(52,923)	(7,660)
Fuel, Materials, Supplies and Inventory	65,609	42,425
Taxes Receivable/Accrued, Net	(132,999)	23,980
Accounts Payable	(80,059)	(168,221)
Other Current Assets and Liabilities, Net	(51,229)	(47,220)
Net Cash Flows Provided by Operating Activities	<u>698,135</u>	<u>894,950</u>
<b>Investing Activities:</b>		
Investments in Property, Plant and Equipment	(1,251,678)	(1,146,952)
Proceeds from Sales of Marketable Securities	316,252	373,853
Purchases of Marketable Securities	(314,406)	(394,379)
Proceeds from the Sale of PSNH Generation Assets	116,809	—
Other Investing Activities	(14,122)	(20,439)
Net Cash Flows Used in Investing Activities	<u>(1,147,145)</u>	<u>(1,187,917)</u>
<b>Financing Activities:</b>		
Cash Dividends on Common Shares	(320,055)	(301,042)
Cash Dividends on Preferred Stock	(3,759)	(3,759)
Decrease in Notes Payable	(98,500)	(211,000)
Issuance of Rate Reduction Bonds	635,663	—
Issuance of Long-Term Debt	1,150,000	950,000
Retirements of Long-Term Debt	(860,421)	(150,000)
Other Financing Activities	(17,958)	(19,254)
Net Cash Flows Provided by Financing Activities	<u>484,970</u>	<u>264,945</u>
Net Increase/(Decrease) in Cash, Cash Equivalents and Restricted Cash	<u>35,960</u>	<u>(28,022)</u>
Cash, Cash Equivalents and Restricted Cash - Beginning of Period	<u>85,890</u>	<u>106,750</u>
Cash, Cash Equivalents and Restricted Cash - End of Period	<u>\$ 121,850</u>	<u>\$ 78,728</u>

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