

News Release

Eversource Energy Reports First Quarter 2016 Results

(HARTFORD, Conn. and BOSTON, Mass. – May 4, 2016) Eversource Energy (NYSE: ES) today reported first quarter 2016 earnings of \$244.2 million, or \$0.77 per share, compared with earnings of \$253.3 million, or \$0.80 per share, in the first quarter of 2015.

Also today, the Eversource Energy Board of Trustees declared a regular quarterly dividend of \$0.445 per share, payable June 30, 2016 to shareholders of record as of May 31, 2016.

“We are pleased with our operating and financial performance in the first quarter of 2016 and continue to project earnings of between \$2.90 and \$3.05 per share for the full year,” said James J. Judge, Eversource Energy president and chief executive officer. “Additionally, we are continuing to make very solid progress on our longer term strategic infrastructure investments that will help reduce energy costs for our 3.6 million customers, improve the resiliency of our delivery systems, and lower air emissions throughout our region.”

Electric Transmission

Eversource Energy’s transmission segment earned \$85.7 million in the first quarter of 2016, compared with earnings of \$66.6 million in the first quarter of 2015. Higher transmission earnings were related to the impact of an order issued in March 2015 by the Federal Energy Regulatory Commission, which resulted in a \$12.4 million, or \$0.04 per share, after-tax charge in the first quarter of 2015. First quarter 2016 results also benefited from Eversource Energy’s additional investment in its electric transmission system.

Electric Distribution and Generation

Eversource Energy’s electric distribution and generation segment earned \$108.4 million in the first quarter of 2016, compared with earnings of \$130.6 million, in the first quarter of 2015. Lower results primarily reflect the absence in 2016 of certain regulatory orders that benefited NSTAR Electric in the first quarter of 2015. Additionally, unusually mild weather in the first quarter of 2016, compared with the bitter cold of early 2015 was the primary reason for an 8.5 percent decline in first quarter electric distribution sales in 2016, compared with 2015. Increased depreciation and property tax expense was largely offset by several items, including lower operations and maintenance costs.

The first-quarter earnings of Eversource Energy's electric utility subsidiaries are noted below in millions, net of preferred dividends:

	2016	2015
CL&P	\$85.7	\$67.8
NSTAR Electric	\$54.0	\$83.1
PSNH	\$36.1	\$32.0
WMECO	\$16.8	\$13.2

Natural Gas Distribution

Eversource Energy's natural gas distribution segment earned \$50.9 million in the first quarter of 2016, compared with earnings of \$55.6 million in the first quarter of 2015. Lower results in 2016 primarily reflect very mild weather in the first quarter of 2016, compared with unusually cold weather in the first quarter of 2015. The impact of the milder weather was partially offset by lower operations and maintenance expense, as well as decoupled rates and a base rate increase at NSTAR Gas, both of which went into effect on January 1, 2016.

Parent and other companies

Parent and other companies lost \$0.8 million in the first quarter of 2016, compared with earnings of \$0.5 million in the first quarter of 2015.

The following table reconciles consolidated earnings per share for the first quarters of 2016 and 2015:

		First Quarter
2015	Reported EPS	\$0.80
	Higher transmission earnings in 2016, including impact of 2015 FERC ROE decision	\$0.06
	Lower electric revenues in 2016, including impact of 2015 MA settlement	(\$0.05)
	Lower firm natural gas revenues in 2016	(\$0.04)
	Higher property tax and depreciation expense in 2016	(\$0.02)
	Lower O&M and other	\$0.02
2016	Reported EPS	\$0.77

Financial results for the first quarters of 2016 and 2015 for Eversource Energy's business segments and parent and other companies are noted below:

Three months ended:

<i>(in millions, except EPS)</i>	March 31, 2016	March 31, 2015	Increase/ (Decrease)	2016 EPS¹
Electric Distribution/Generation	\$108.4	\$130.6	(\$22.2)	\$0.34
Natural Gas Distribution	\$50.9	\$55.6	(\$4.7)	\$0.16
Electric Transmission	\$85.7	\$66.6	\$19.1	\$0.27
Parent and Other Companies	\$(0.8)	\$0.5	(\$1.3)	-
Reported Earnings	\$244.2	\$253.3	(\$9.1)	\$0.77

Retail sales data:

	March 31, 2016	March 31, 2015	% Change
Electric Distribution			
Gwh for three months ended			
Traditional	6,994	7,500	(6.7%)
Decoupled	6,225	6,948	(10.4%)
Total Electric Distribution	13,219	14,448	(8.5%)
Natural Gas Distribution			
Firm volumes in mcm for three months ended			
Traditional	17,985	23,084	(22.1%)
Decoupled	20,151	26,297	(23.4%)
Total Natural Gas Distribution	38,136	49,381	(22.8%)

Eversource Energy has approximately 317 million common shares outstanding. It operates New England's largest energy delivery system, serving approximately 3.6 million customers in Connecticut, Massachusetts and New Hampshire.

CONTACT:

Jeffrey R. Kotkin
(860) 665-5154

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Note: Eversource Energy will webcast a conference call with senior management on May 5, 2016, beginning at 9 a.m. Eastern Time. The webcast can be accessed through Eversource's website at www.eversource.com.
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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 parent 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 first quarter 2016 and 2015 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 controlling interests 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 involve risks and uncertainties that may cause actual results or outcomes to differ materially from those included in the forward-looking statements. Factors that may cause actual results to differ materially from those included in the forward-looking statements include, but are not limited to, cyber breaches, acts of war or terrorism, or grid disturbances; actions or inaction of local, state and federal regulatory, public policy and taxing bodies; changes in business conditions, which could include disruptive technology related to Eversource's current or future business model; changes in economic conditions, including impact on interest rates, tax policies, and customer demand and payment ability; fluctuations in weather patterns; changes in laws, regulations or regulatory policy; changes in levels or timing of capital expenditures; disruptions in the capital markets or other events that make Eversource's access to necessary capital more difficult or costly; developments in legal or public policy doctrines; technological developments; 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's reports filed with the Securities and Exchange Commission (SEC) and updated as necessary, and are available 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. 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 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.

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EVERSOURCE ENERGY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	March 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 50,966	\$ 23,947
Receivables, Net	890,977	775,480
Unbilled Revenues	192,084	202,647
Taxes Receivable	44,171	305,359
Fuel, Materials, Supplies and Inventory	359,225	336,476
Regulatory Assets	919,311	845,843
Prepayments and Other Current Assets	133,813	129,034
Total Current Assets	<u>2,590,547</u>	<u>2,618,786</u>
Property, Plant and Equipment, Net	<u>20,096,693</u>	<u>19,892,441</u>
Deferred Debits and Other Assets:		
Regulatory Assets	3,703,486	3,737,960
Goodwill	3,519,401	3,519,401
Marketable Securities	502,948	516,478
Other Long-Term Assets	299,400	295,243
Total Deferred Debits and Other Assets	<u>8,025,235</u>	<u>8,069,082</u>
Total Assets	<u>\$ 30,712,475</u>	<u>\$ 30,580,309</u>
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable	\$ 769,500	\$ 1,160,953
Long-Term Debt - Current Portion	378,883	228,883
Accounts Payable	646,440	813,646
Obligations to Third Party Suppliers	135,978	128,564
Renewable Portfolio Standards Compliance Obligations	170,021	130,354
Regulatory Liabilities	111,414	107,759
Other Current Liabilities	381,678	419,631
Total Current Liabilities	<u>2,593,914</u>	<u>2,989,790</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	5,284,255	5,147,678
Regulatory Liabilities	526,452	513,595
Derivative Liabilities	344,458	337,102
Accrued Pension, SERP and PBOP	1,355,422	1,407,288
Other Long-Term Liabilities	869,220	871,499
Total Deferred Credits and Other Liabilities	<u>8,379,807</u>	<u>8,277,162</u>
Capitalization:		
Long-Term Debt	<u>9,144,687</u>	<u>8,805,574</u>
Noncontrolling Interest - Preferred Stock of Subsidiaries	<u>155,568</u>	<u>155,568</u>
Equity:		
Common Shareholders' Equity:		
Common Shares	1,669,392	1,669,313
Capital Surplus, Paid In	6,243,908	6,262,368
Retained Earnings	2,900,351	2,797,355
Accumulated Other Comprehensive Loss	(65,175)	(66,844)
Treasury Stock	(309,977)	(309,977)
Common Shareholders' Equity	<u>10,438,499</u>	<u>10,352,215</u>
Total Capitalization	<u>19,738,754</u>	<u>19,313,357</u>
Total Liabilities and Capitalization	<u>\$ 30,712,475</u>	<u>\$ 30,580,309</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 present 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 March 31,	
	2016	2015
Operating Revenues	\$ 2,055,635	\$ 2,513,431
Operating Expenses:		
Purchased Power, Fuel and Transmission	754,859	1,162,049
Operations and Maintenance	320,136	333,382
Depreciation	173,986	163,837
Amortization of Regulatory Assets, Net	20,997	60,604
Energy Efficiency Programs	137,175	146,603
Taxes Other Than Income Taxes	159,946	149,481
Total Operating Expenses	1,567,099	2,015,956
Operating Income	488,536	497,475
Interest Expense	98,212	94,843
Other Income, Net	2,011	5,727
Income Before Income Tax Expense	392,335	408,359
Income Tax Expense	146,302	153,226
Net Income	246,033	255,133
Net Income Attributable to Noncontrolling Interests	1,880	1,879
Net Income Attributable to Common Shareholders	\$ 244,153	\$ 253,254
Basic and Diluted Earnings Per Common Share	\$ 0.77	\$ 0.80
Dividends Declared Per Common Share	\$ 0.45	\$ 0.42
Weighted Average Common Shares Outstanding:		
Basic	317,517,141	317,090,841
Diluted	318,481,050	318,491,188

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

(Thousands of Dollars)	For the Three Months Ended March 31,	
	2016	2015
Operating Activities:		
Net Income	\$ 246,033	\$ 255,133
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	173,986	163,837
Deferred Income Taxes	141,132	148,193
Pension, SERP and PBOP Expense	11,583	26,495
Pension and PBOP Contributions	(30,383)	(26,659)
Regulatory Underrecoveries, Net	(82,772)	(110,748)
Amortization of Regulatory Assets, Net	20,997	60,604
Other	(16,532)	(11,891)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(133,965)	(328,299)
Fuel, Materials, Supplies and Inventory	(22,748)	68,172
Taxes Receivable/Accrued, Net	279,106	272,021
Accounts Payable	(76,317)	(59,496)
Other Current Assets and Liabilities, Net	(10,156)	34,179
Net Cash Flows Provided by Operating Activities	<u>499,964</u>	<u>491,541</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(431,472)	(362,586)
Proceeds from Sales of Marketable Securities	136,805	114,730
Purchases of Marketable Securities	(135,427)	(116,735)
Other Investing Activities	5,494	66
Net Cash Flows Used in Investing Activities	<u>(424,600)</u>	<u>(364,525)</u>
Financing Activities:		
Cash Dividends on Common Shares	(141,157)	(132,433)
Cash Dividends on Preferred Stock	(1,880)	(1,879)
Decrease in Notes Payable	(391,453)	(399,575)
Issuance of Long-Term Debt	500,000	450,000
Other Financing Activities	(13,855)	(10,805)
Net Cash Flows Used in Financing Activities	<u>(48,345)</u>	<u>(94,692)</u>
Net Increase in Cash and Cash Equivalents	27,019	32,324
Cash and Cash Equivalents - Beginning of Period	23,947	38,703
Cash and Cash Equivalents - End of Period	<u>\$ 50,966</u>	<u>\$ 71,027</u>

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