

News Release

Eversource Energy Reports Third Quarter 2016 Results

(HARTFORD, Conn. and BOSTON, Mass. – November 1, 2016) Eversource Energy (NYSE: ES) today reported earnings of \$265.3 million, or \$0.83 per share, in the third quarter of 2016, compared with earnings of \$235.9 million, or \$0.74 per share, in the third quarter of 2015. In the first nine months of 2016, Eversource Energy earned \$713.1 million, or \$2.24 per share, compared with earnings of \$696.7 million, or \$2.19 per share, in the first nine months of 2015.

“We look forward to completing a successful 2016,” said Jim Judge, Eversource president and chief executive officer. “Our earnings are on track to achieve our full-year guidance of \$2.90-\$3.05 per share and we continue to be confident in our long-term earnings and dividend growth rate of 5-7 percent. Additionally, our service reliability levels, despite the challenge of a hot summer and increased storm activity, continue to place us in the upper tier of utilities.”

Electric Transmission

Eversource Energy’s transmission segment earned \$88.4 million in the third quarter of 2016 and \$266.6 million in the first nine months of 2016, compared with earnings of \$78 million in the third quarter of 2015 and \$225 million in the first nine months of 2015. The improved results for both periods were primarily due to an increased level of investment in Eversource Energy’s transmission system, as well as the absence in 2016 of a \$12.4 million first-quarter 2015 charge related to an order issued by the Federal Energy Regulatory Commission concerning the return on equity allowed New England transmission owners.

Electric Distribution and Generation

Eversource Energy’s electric distribution and generation segment earned \$170.1 million in the third quarter of 2016 and \$381.3 million in the first nine months of 2016, compared with earnings of \$167.3 million in the third quarter of 2015 and \$418.7 million in the first nine months of 2015. Improved third quarter results primarily reflect higher retail revenues, which were partially offset by higher depreciation and property taxes resulting from increased investment in Eversource’s electric distribution systems. The lower year-to-date results primarily reflect the absence in 2016 of the benefits associated with resolving several regulatory issues at NSTAR Electric in the first quarter of 2015.

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

	2016	2015
CL&P	\$85.2	\$78.8
NSTAR Electric	\$116.7	\$118.1
PSNH	\$38.5	\$32.5
WMECO	\$16.0	\$15.0

Earnings of Eversource Energy's electric utility subsidiaries for the first nine months are noted below in millions, net of preferred dividends:

	2016	2015
CL&P	\$252.4	\$224.0
NSTAR Electric	\$238.4	\$282.7
PSNH	\$105.8	\$92.5
WMECO	\$46.1	\$42.4

Natural Gas Distribution

Eversource Energy's natural gas distribution segment had a loss of \$7 million in the third quarter of 2016 and earnings of \$51.9 million in the first nine months of 2016, compared with a loss of \$3.5 million in the third quarter of 2015 and earnings of \$57.5 million in the first nine months of 2015. Lower third quarter results were due primarily to a higher effective tax rate in 2016. Lower nine-month results in 2016 were due primarily to the impact on firm sales of a much milder winter in 2016.

Parent and other companies

Eversource Energy parent and other companies earned \$13.8 million in the third quarter of 2016 and \$13.3 million in the first nine months of 2016, compared with a net loss of \$5.9 million in the third quarter of 2015 and a net loss \$4.5 million in the first nine months of 2015. Improved third quarter and year-to-date results were due primarily to a lower effective tax rate and the absence in 2016 of integration costs. Those impacts were partially offset by higher interest costs.

The following table reconciles 2016 and 2015 third quarter and first nine months earnings per share:

		Third Quarter	Nine Months
2015	Reported EPS	\$0.74	\$2.19
	Higher transmission earnings in 2016	\$0.04	\$0.14
	Higher retail electric revenues and generation results in 2016	\$0.03	\$0.02
	Lower firm natural gas sales in 2016	---	(\$0.03)
	Lower non-tracked O&M in 2016	\$0.02	\$0.02
	Higher property tax, depreciation, and amortization expense in 2016	(\$0.02)	(\$0.05)
	Higher interest expense	(\$0.01)	(\$0.03)
	Lower effective tax rate	\$0.02	---
	Other	\$0.01	(\$0.02)
2016	Reported EPS	\$0.83	\$2.24

Financial results for the third quarter and first nine months of 2016 and 2015 are noted below:

Three months ended:

<i>(in millions, except EPS)</i>	September 30, 2016	September 30, 2015	Increase/ (Decrease)	2016 EPS¹
Electric Distribution/Generation	\$170.1	\$167.3	\$2.8	\$0.53
Natural Gas Distribution	(\$7.0)	(\$3.5)	(\$3.5)	(\$0.02)
Electric Transmission	\$88.4	\$78.0	\$10.4	\$0.28
Eversource Parent and Other Companies	\$13.8	(\$5.9)	\$19.7	\$0.04
Reported Earnings/EPS	\$265.3	\$235.9	\$29.4	\$0.83

Nine months ended:

<i>(in millions, except EPS)</i>	September 30, 2016	September 30, 2015	Increase/ (Decrease)	2016 EPS¹
Electric Distribution/Generation	\$381.3	\$418.7	(\$37.4)	\$1.20
Natural Gas Distribution	\$51.9	\$57.5	(\$5.6)	\$0.16
Electric Transmission	\$266.6	\$225.0	\$41.6	\$0.84
Eversource Parent and Other Companies	\$13.3	(\$4.5)	\$17.8	\$0.04
Reported Earnings/EPS	\$713.1	\$696.7	\$16.4	\$2.24

Retail sales data:

Three months ended:	September 30, 2016	September 30, 2015	% Change
Electric Distribution (Gwh)			
Traditional	8,131	8,136	(0.01%)
Decoupled	7,213	7,070	2.0%
Total Electric Distribution	15,344	15,206	0.9%
Natural Gas Distribution (mmcf)			
Traditional	5,270	5,449	(3.3%)
Decoupled and Special Contracts	5,653	5,688	(0.6%)
Total Natural Gas Distribution	10,923	11,137	(1.9%)

Nine months ended:	September 30, 2016	September 30, 2015	% Change
Electric Distribution (Gwh)			
Traditional	21,731	22,309	(2.6%)
Decoupled	19,235	19,865	(3.2%)
Total Electric Distribution	40,966	42,174	(2.9%)
Natural Gas Distribution (mmcf)			
Traditional	31,570	36,355	(13.2%)
Decoupled and Special Contracts	36,537	42,134	(13.3%)
Total Natural Gas Distribution	68,107	78,489	(13.2%)

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.

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<p>Note: Eversource Energy will webcast a conference call with senior management on November 2, 2016, beginning at 9 a.m. Eastern Time. The webcast and associated slides can be accessed through Eversource's website at www.eversource.com.</p>

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 third quarter and year-to-date 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)	September 30, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 40,056	\$ 23,947
Receivables, Net	963,279	775,480
Unbilled Revenues	187,749	202,647
Taxes Receivable	4,527	305,359
Fuel, Materials, Supplies and Inventory	311,051	336,476
Regulatory Assets	752,378	845,843
Prepayments and Other Current Assets	155,612	129,034
Total Current Assets	<u>2,414,652</u>	<u>2,618,786</u>
Property, Plant and Equipment, Net	<u>20,807,943</u>	<u>19,892,441</u>
Deferred Debits and Other Assets:		
Regulatory Assets	3,469,879	3,737,960
Goodwill	3,519,401	3,519,401
Marketable Securities	525,809	516,478
Other Long-Term Assets	344,653	295,243
Total Deferred Debits and Other Assets	<u>7,859,742</u>	<u>8,069,082</u>
Total Assets	<u>\$ 31,082,337</u>	<u>\$ 30,580,309</u>
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable	\$ 734,500	\$ 1,160,953
Long-Term Debt - Current Portion	373,883	228,883
Accounts Payable	679,505	813,646
Obligations to Third Party Suppliers	166,845	128,564
Regulatory Liabilities	160,442	107,759
Other Current Liabilities	526,853	549,985
Total Current Liabilities	<u>2,642,028</u>	<u>2,989,790</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	5,442,856	5,147,678
Regulatory Liabilities	550,162	513,595
Derivative Liabilities	427,382	337,102
Accrued Pension, SERP and PBOP	1,116,240	1,407,288
Other Long-Term Liabilities	875,589	871,499
Total Deferred Credits and Other Liabilities	<u>8,412,229</u>	<u>8,277,162</u>
Capitalization:		
Long-Term Debt	<u>9,235,128</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	6,256,580	6,262,368
Retained Earnings	3,087,006	2,797,355
Accumulated Other Comprehensive Loss	(65,617)	(66,844)
Treasury Stock	<u>(309,977)</u>	<u>(309,977)</u>
Common Shareholders' Equity	<u>10,637,384</u>	<u>10,352,215</u>
Total Capitalization	<u>20,028,080</u>	<u>19,313,357</u>
Total Liabilities and Capitalization	<u>\$ 31,082,337</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 September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Operating Revenues	\$ 2,039,706	\$ 1,933,105	\$ 5,862,525	\$ 6,263,597
Operating Expenses:				
Purchased Power, Fuel and Transmission	665,810	702,640	2,001,929	2,549,807
Operations and Maintenance	324,734	327,283	965,584	977,306
Depreciation	181,288	167,884	531,781	495,389
Amortization of Regulatory Assets/(Liabilities), Net	43,942	(16,851)	56,223	42,587
Energy Efficiency Programs	149,121	132,107	405,962	380,559
Taxes Other Than Income Taxes	164,942	150,804	479,219	439,221
Total Operating Expenses	1,529,837	1,463,867	4,440,698	4,884,869
Operating Income	509,869	469,238	1,421,827	1,378,728
Interest Expense	99,865	92,534	298,568	279,635
Other Income, Net	13,641	5,241	23,689	23,866
Income Before Income Tax Expense	423,645	381,945	1,146,948	1,122,959
Income Tax Expense	156,446	144,146	428,186	420,640
Net Income	267,199	237,799	718,762	702,319
Net Income Attributable to Noncontrolling Interests	1,880	1,879	5,639	5,639
Net Income Attributable to Common Shareholders	\$ 265,319	\$ 235,920	\$ 713,123	\$ 696,680
Basic Earnings Per Common Share	\$ 0.83	\$ 0.74	\$ 2.24	\$ 2.20
Diluted Earnings Per Common Share	\$ 0.83	\$ 0.74	\$ 2.24	\$ 2.19
Dividends Declared Per Common Share	\$ 0.45	\$ 0.42	\$ 1.34	\$ 1.25
Weighted Average Common Shares Outstanding:				
Basic	317,787,836	317,452,212	317,696,823	317,296,107
Diluted	318,577,079	318,405,269	318,511,609	318,396,042

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

For the Nine Months Ended September 30,
2016 2015

(Thousands of Dollars)		
Operating Activities:		
Net Income	\$ 718,762	\$ 702,319
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	531,781	495,389
Deferred Income Taxes	301,413	153,353
Pension, SERP and PBOP Expense	31,627	71,802
Pension and PBOP Contributions	(121,854)	(162,880)
Regulatory Overrecoveries, Net	152,808	31,874
Amortization of Regulatory Assets, Net	56,223	42,587
Other	(27,671)	(39,822)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(191,454)	(148,442)
Fuel, Materials, Supplies and Inventory	25,425	47,380
Taxes Receivable/Accrued, Net	347,898	383,047
Accounts Payable	(121,513)	(233,660)
Other Current Assets and Liabilities, Net	(53,077)	8,370
Net Cash Flows Provided by Operating Activities	<u>1,650,368</u>	<u>1,351,317</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(1,359,171)	(1,177,285)
Proceeds from Sales of Marketable Securities	444,209	556,582
Purchases of Marketable Securities	(437,197)	(535,044)
Other Investing Activities	(9,463)	(2,769)
Net Cash Flows Used in Investing Activities	<u>(1,361,622)</u>	<u>(1,158,516)</u>
Financing Activities:		
Cash Dividends on Common Shares	(423,471)	(397,363)
Cash Dividends on Preferred Stock	(5,639)	(5,639)
Decrease in Notes Payable	(426,453)	(387,575)
Issuance of Long-Term Debt	800,000	825,000
Retirements of Long-Term Debt	(200,000)	(216,700)
Other Financing Activities	(17,074)	(13,446)
Net Cash Flows Used in Financing Activities	<u>(272,637)</u>	<u>(195,723)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	16,109	(2,922)
Cash and Cash Equivalents - Beginning of Period	23,947	38,703
Cash and Cash Equivalents - End of Period	<u>\$ 40,056</u>	<u>\$ 35,781</u>

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