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EDITED TRANSCRIPT

ES.N - Q1 2022 Eversource Energy Earnings Call

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OVERVIEW:

Co. reported 1Q22 GAAP EPS of $1.28. Expects 2022 non-GAAP EPS, excluding non-recurring charges, to be $4.00-4.17.

REFINITIV

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PRESENTATION

Operator

Good morning, ladies and gentlemen. Thank you for joining and being present at the Eversource Energy First Quarter 2022 Earnings Call. My name is Irene, and I will be coordinating today's call. (Operator Instructions)

I will now hand over to your host, Jeffrey Kotkin, Vice President for Investor Relations to begin. Jeffrey, please go ahead.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thank you, Irene, and good morning, and thank you all for joining us today. I'm Jeff Kotkin, Eversource Energy's Vice President for Investor Relations.

During this call, we'll be referencing slides that we posted yesterday on our website. And as you can see on slide 1, some of the statements made during this investor call may be forward-looking as defined within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and are subject to risk and uncertainty, which may cause the actual results to differ materially from forecast and projections. These forecasts and factors are set forth in the news release issued yesterday afternoon. Additional information about the various factors that may cause actual results to differ can be found in our annual report on Form 10-K for the year ended December 31, 2021. Additionally, our explanation of how and why we use certain non-GAAP measures and how those measures reconcile to GAAP results is contained within our news release and the slides we posted last night and in our most recent 10-K and 10-Q.

Speaking today will be Joe Nolan, our President and Chief Executive Officer; Phil Lembo, our Senior Strategic Advisor and outgoing CFO; and John Moreira, our Treasurer and incoming CFO. Also joining us today is Jay Buth, our VP and Controller.

Now I will turn to Slide 2 and turn over the call to Joe.

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Thank you, Jeff, and thank you, everyone who is on the call this morning. It's been a very busy start of the year. So, let me get right to it. First and most importantly, we have continued to deliver very safe and reliable service to our 4.4 million customers. The average number of months between power interruptions continues to place us and our reliability in the top decile of the electric industry, and our relatively short average duration of outages continues to place us in the top quartile. We also responded promptly to damage caused by a number of Nor'easters that seemed to be arriving in New England every weekend from mid-January through February. Despite that inclement weather, response time to natural gas service calls, a key safety and performance metric for our gas distribution business was excellent. I'm also pleased with our continued work to support our state's efforts to significantly reduce their carbon footprint.

Our sustainability ratings at MSCI and Sustainalytics remain among the industry's best when compared to our peer utilities. Our updated 2021 sustainability report will be published midyear along with enhanced disclosures on our diversity, equity and inclusion metrics.

We are also currently working to determine how an energy and water delivery company such as Eversource should address Scope 3 emissions.

Turning to Slide 3. As many of you know, the Massachusetts Department of Public Utilities is conducting an in-depth inquiry into the role that gas will serve as the state moves to reduce its greenhouse gas emissions by at least 85% by 2050. In March, we submitted a lengthy filing in support of the DPU's inquiry. That filing has been posted on our investor website, and its key elements are included on this slide.

As you can see, reducing energy demand by vigorously pursuing energy efficiency in both the electric and natural gas business is a cornerstone of our strategy. Additionally, we are recommending pursuing multiple options to reduce carbon emissions from our approximately 650,000 natural gas customers in Massachusetts. They include developing a hybrid electrification pilot in a community where we serve both electric and natural gas customers; building on the networked geothermal pilot we announced earlier this year in Framingham, Massachusetts; initiating a renewable natural gas program through purchases in in-state and on-system injection; and piloting the potential use of hydrogen with certain commercial and industrial customers. There is no question that our natural gas distribution infrastructure will play a critical role in ensuring a successful transition to the state's clean energy future. The DPU is targeting a decision in this inquiry later this year.

Turning to offshore wind in Slide 4. I'm sure most of those on this call have read our news release last night announcing that we have commenced a strategic review of our offshore wind investments, where we are partnering with Ørsted. It is clear that the landscape for offshore wind continues to evolve and many energy and infrastructure firms and investors, both inside and outside North America, are extremely interested in investing in the Northeast United States offshore wind market. The extremely strong prices paid for New York Bight leases in February attest to this. We plan to evaluate our 50% interest in our partnership with Ørsted, together with the significant investment requirements we have ahead of us for our regulated energy and water delivery systems.

We have a more than $18 billion, 5-year regulated capital investment program that needs to be financed, and additional capital projects that are likely to arise in the coming years. We have concluded that now is an appropriate time to explore monetization of our offshore wind investments. The strategic review we have launched was formally endorsed yesterday by the Eversource Board of Trustees. It could result in potential sale of all or part of our offshore wind interest. We fully expect that given the strong interest for offshore wind assets, we will be able to replace the offshore wind earnings per share that we would realize after our two larger projects reach commercial operation. This could result from either greater levels of regulated investment, less financing needs, or a combination of the two.

Finally, I just want to thank Phil for his decades of service to our company and our customers. I have worked with Phil for more than 30 years, playing on a softball team with him back in my early years, and he will be greatly missed. He has been a proven leader and a consummate financial professional. He has been our CFO for the past six years and has steered us through acquisitions, significant equity issuances, and a pandemic, while being transparent with the Street, supportive of his staff and wise in his counsel to senior management and the Board. One can readily understand why our investors have rated Phil one of the top CFOs in the industry the past few years. I am truly thankful that he is remaining in a Senior Strategic Advisor role with us for the near term to help us with this evaluation of our offshore wind investments.

We do not have a specific timeline for the review of our offshore wind project. During this process, we will continue to focus on a successful execution of our three offshore wind projects, and we'll continue to lead the onshore portion of the project during siting and construction. One key element that may amplify market interest in our 50% interest is the strong national and regional policy support for offshore wind. The current administration has targeted 30,000 megawatts of offshore wind in the Atlantic by 2030. In the four states that are the most likely biased of energy generated by offshore tracks continue to ratchet up their support for this clean energy source. We strongly believe that offshore wind will play a very important role in Southern New England's and New York's aggressive decarbonization efforts, and Ørsted is a recognized world leader in engineering, constructing and operating offshore wind. Moreover, the sites we are developing are among the best in North America in terms of consistent wind speeds.

Moreover, we have moderate water depths in the proximity to the electric load. In terms of our active projects, as illustrated on Slide 4, onshore cable installations beneath the roads of East Hampton on Long Island is largely complete, ahead of schedule. Major offshore work will take place in 2023, and we'll continue the project bringing a 130-megawatt, 12-turbine project into service by the end of next year. Siting and permitting on our two larger projects, Revolution Wind and Sunrise Wind, also continues to progress. We continue to expect to receive final federal and state approvals in 2023 and bring both projects into service in 2025.

Slide 6 shows that there have been no changes to the cost estimates or schedules we discussed during our year-end earnings call in February. With contracts now essentially fully secured for South Fork. We continue to focus on negotiating contracts for the two larger projects, which we expect to be built in 2024 and 2025. In aggregate, about 80% of these project costs are now locked in. We are making good progress on procuring additional agreements and expect that percentage to rise over the balance of the year.

I want to add how thrilled I am that yesterday, our Board elected John Moreira, to be our new CFO. John will hit the ground running, having a leadership position throughout the finance organization over the past two decades, including Treasury, Accounting, Budgeting, Regulatory and Investor Relations. He has also headed up our Investor Relations and our strategic initiatives, including our water acquisitions and the offshore wind business review we announced yesterday. He knows Eversource inside and out, and will provide us with experienced financial leadership as we invest on behalf of our customers.

Thanks again for your time. I will now turn it over to Phil.

Phil Lembo - *Eversource Energy - Senior Strategic Advisor*

Thanks, Joe. Good morning, everyone. This morning, I'll cover the results for the first quarter of 2022, and then John will discuss recent regulatory developments and our 2022 financing activities.

So, I'll start with Slide 7. Our GAAP earnings were $1.28 per share in the first quarter of 2022, and this compares to earnings of $1.06 in the first quarter of 2021. The first quarter results for both years include $0.02 per share of after-tax costs associated with acquisitions, primarily related to the assets acquired from the Columbia Gas of Massachusetts deal. Results in the first quarter of 2021 also include a charge of $0.07 per share related to our performance in August of 2020 following Tropical Storm Isaias. Excluding the acquisition and the transition costs in the first quarters of 2022 and 2021, as well as the storm-related charge in 2021. We earned $1.30 per share in the first quarter of 2022, compared with $1.15 in the same quarter of 2021.

Our first quarter electric distribution earnings were $0.41 per share in the first quarter of 2022, compared with earnings of $0.34 in the first quarter of 2021. This excludes the storm charge. Improved results were driven largely by higher revenues in New Hampshire and Massachusetts and lower pension costs. Our electric transmission segment earned $0.43 per share in the first quarter of 2022 compared with earnings of $0.39 in the first quarter of 2021. Improved results were driven by a higher level of investments in our transmission facilities that we use to provide safe and reliable service. Our natural gas distribution segment earnings were $0.47 per share in the first quarter of 2022, compared with earnings of $0.43 in the first quarter of 2021. Improved results were due primarily to higher revenues, partially offset by an increase in O&M costs.

Our water distribution segment earned $0.01 per share in the first quarters of both 2022 and 2021. You may recall that the winter quarter is the weakest of the year for water utilities in the Northern U.S.

Eversource parent and other companies lost $0.02 per share in the first quarters of both 2022 and 2021, and this is excluding the acquisition and transition costs I mentioned earlier.

We are encouraged with the positive first quarter results, but believe it is a bit too early in the year to revisit our $4.00 to $4.17 per share EPS range. We will continuously evaluate this guidance range as we move through the year as we would typically do in past years.

I think it's important to keep a few things in mind. A significant percentage of our incremental gas business earnings come in the first quarter. Also, we expect to commence our ATM equity issuance during the second quarter, depending on market conditions. Like everyone else, we're seeing a dramatic increase in borrowing rates. Short-term rates are up 75 basis points depending on the day. The ten-year is nearly double where it was a year ago. So, rates are higher, and storm response and restoration costs are a significant O&M item for the company each year. With three quarters of the year still ahead, we believe it's appropriate to see how the year progresses.

Before turning the call to John, I'll just discuss our capital plan. I want to touch on a few of Eversource's initiatives. First, Eversource Gas of Massachusetts, or EGMA. The process for transitioning EGMA into Eversource business systems is nearly complete, and we expect charges to the transition to tail off after the second quarter of 2022. Systems have been transitioned since the start of 2022, including multiple work management systems, natural gas dispatch system, GIS and SCADA systems and a new customer information system. This has been just a great effort by the entire Eversource team to get all 300 business processes transitioned over from NiSource to Eversource quickly and effectively over the past 18 months.

Second, Aquarion Water continues to grow. Earlier this year, Aquarion announced an agreement to purchase a 10,000-customer water system that serves five communities in northwestern Connecticut. The transaction would result in Torrington Water holders receiving approximately 900,000 Eversource shares in exchange for their Torrington stock. Torrington is a very well-run water delivery system, whose service territory is highly complementary to Aquarion's existing footprint. Assuming timely regulatory approvals, we expect to close the transaction by the end of this year and for it to be accretive in 2023.

I'm going to turn over the call to John in a moment, but first, I wanted to say how grateful I am for all the relationships I've had with members of the financial community during my career. This has been especially true over the past six years when I was fortunate enough to serve as Eversource's CFO. Our company is in a strong financial position in great part because of your confidence in us. I look forward over the coming months to helping Joe and other members of the Eversource leadership team execute a strategic review of our offshore wind investments. So, thank you all.

And now I'd like to turn the call over to John.

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Thank you, Phil. And congratulations on your retirement, and I personally want to thank you for your leadership of the finance team and for your mentoring of me over the past couple of decades. I also want to thank Joe, Jim Judge and the entire Eversource Board of Trustees for entrusting me with the CFO position. I am honored by the confidence you have shown in me and look forward to supporting Eversource Energy's leading efforts to serve our customers and prepare for New England's clean energy future.

As you saw in our news release and can see on Slide 8, we are reaffirming our long-term EPS growth rate in the upper half of 5% to 7% range.

On Slide 9, we also reaffirm the $18 billion, five-year regulated capital program that we disclosed during our February earnings call, including our $3.9 billion regulated capital investment projection for this year alone. You will recall that in February, we noted a couple of additional areas where we may see incremental regulated investment over the next five years.

Turning to Slide 10, we have provided status updates on our AMI program for both NSTAR Electric and Connecticut Light & Power. At this time, regulators in both Connecticut and in Massachusetts are actively working through dockets, with a decision expected later this year. Briefing has been completed in Connecticut and is scheduled to wrap up in Massachusetts over the next couple of months.

Separately, in March, NSTAR Electric filed an application with FERC on a new innovative recovery structure to help promote offshore wind development off of the coast of Massachusetts. The application references Park City Wind, which is an 800-megawatt Avangrid project that was selected years ago as the winner of Connecticut's most recent offshore wind RFP. Like the Vineyard Wind project, Park City Wind will connect to the New England grid through NSTAR Electric facilities on Cape Cod Massachusetts. Park City would connect into NSTAR Electric's 345-kV system where we are already planning some upgrades to meet rising electric loads. By working on the two projects together, we can reduce costs for customers. In addition, the incremental upgrades would be approximately $200 million, with the vast majority being collected from Park City with FERC-based returns.

We also have asked FERC to approve our application in an expedited fashion. We expect there will be other opportunities that will emulate this type of offshore wind transmission interconnection agreement structure going forward since together, Massachusetts, Connecticut and Rhode Island are seeking approximately 9,000 megawatts of such offshore projects.

On the regulatory side, our only active rate case is NSTAR Electric, and we continue to expect a decision around December 1 with new rates going into effect January 1, 2023. We are currently going through the discovery phase of this proceeding. At some point over the next couple of months, we do expect Aquarion Connecticut to file for its first rate review in about 10 years. Aquarion Connecticut's regulatory ROE was about 7.7% for 2021, well below the allowed rate of return of 9.63%.

In terms of financings, and recent credit rating agency discussions, we have completed $1.3 billion five-year and ten-year issuances at Eversource parent company. We did that in late February. Proceeds were used to meet the maturity of $750 million at the parent company that matured in March, and with the balance of the proceeds being used to reduce short-term debt.

Fitch has completed its annual review of Eversource system of companies last month and raised its outlook on CL&P from negative to stable. Also, Fitch reaffirmed the stable outlook for all of our family of companies. We have recently conducted our planned meetings with Moody's and S&P, as well, and briefed them on the status of our offshore wind initiative, our five-year financial projections, and our equity needs. We look forward to the conclusion of these reviews later this year.

In terms of upcoming equity issuances, as you can see on Slide 11, we expect to commence the issuance of new Eversource shares this quarter through our previously announced At-The-Market, or ATM, program. As we said in February, we plan to issue $1.2 billion of equity through this ATM program over the next few years. Additionally, we will continue to issue treasury shares to fund our dividend reinvestment, our optional share purchase, and employee stock plans. This is expected to result in approximately $120 million worth of treasury shares per year through these plans during our forecast period.

It is important to note that our planned issuance of $1.2 billion of equity through the ATM program and the DRIP shares issuance are not impacted by the strategic assessment of our offshore wind that we announced yesterday. At this stage of our strategic assessment, it is too soon to comment on how any potential sale of all or a portion of our offshore wind investment would impact our financing plans in the future.

Thank you very much for joining us this morning, and I look forward to seeing all of you very soon. I will now turn the call back to Jeff for Q&A. Jeff?

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thank you, John. And I'm going to return the call to Irene, just to remind you how to enter questions. Irene?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Now I will hand over to Jeffrey, who will coordinate the current questions and answers list. Jeffrey, please go ahead.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thank you, Irene. Our first question this morning is from Shar from Guggenheim.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

So Phil, I'm a little conflicted about your retirement announcement. On one hand, I'm really pumped for you and John for Phase 2, but I'm going to definitely miss our steak dinners and interstate road trips. So hopefully, we can still do that.

Phil Lembo - *Eversource Energy - Senior Strategic Advisor*

Yes, nothing said (inaudible).

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

Yes. Right. So, Joe, just a question here on the sale process, and maybe first two parts, and I got a quick follow-up there. First, what kind of options are we looking at? I know you mentioned it could be piecemeal, such as your interest in the unused leases or everything, are you sort of leaning one way or the other? And two, what is the timing for this process kind of in your mind? I know you said within '22, but with the latest ATMs set to start this quarter, how should we start thinking about this?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. Well, thank you, and it's great to hear your voice and look forward to seeing you in person. So, listen, we just are starting this process. We did have our board in here yesterday. Obviously, this was a decision that had a lot of thought going into it. So, we're going to look at all of our options and the impact that the sale of part or all would have on our business. So, I think I don't have an answer for you right now. It's not something that I have that I'm withholding, I just -- I don't have it. So, I will tell you that as this evolves, we definitely will keep everybody informed, and we will obviously be very thoughtful and deliberate about any type of review and any kind of next steps on wind.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

Got it. And then just, Joe, what prompted this? Did you actually field offers, I guess, was this prompted by any interest from inbounds?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Well, I guess I don't think there's been an analyst that I'm looking at the list of folks on the call, and obviously, you and folks have always asked us this question about how we're going to monetize our wind assets. And I feel we used to always say to folks, if somebody backs up a Brink's truck, obviously, we will look at that. I think the New York Bight leases were a point of inflection for this company. I think I was actually doing all day meetings that day, and we started to see some of the pricing. And as you know, listen, we're here for the shareholders. And we are going to do the right thing by our shareholders and our investors and our customers. And this is the right thing to take a look at this, and I think we heard many of you loud and clear about what are you going to do around wind? So that's what really was the driver around this, Shar.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

Got it. Got it. And then just lastly, obviously, in the context of your base 5% to 7% growth, is this just a kind of dilution avoidance? Or do you kind of have a line of sight to incremental opportunities right now that you're kind of excited to fund with the potential proceeds, right? And then what's the tax impact of a full sale as we're thinking about it?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Shar, this is John. Let me start with the latter question. So, it's too early to tell, as Joe mentioned. We are looking at multiple structures and options to mitigate any tax leakage. So, too early on that front, but we are focused on that. On your latter question -- or former question, I should say. The financial impact of this once again -- we're still continuing to review it and assess it. But we feel very optimistic with opportunities on the regulated side to continue to develop clean energy investment strategies, I mentioned one on the call in my formal remarks, to support connecting offshore wind into Cape Cod. We think there's more to come. There're recent bids in Massachusetts that have been won that want to connect into Massachusetts, and we are the incumbent utility in that area. So, we're very optimistic. We have a solar, sizable solar deployment program in Massachusetts, which we're just kicking off the ground right now. Part of that will land in this forecast period, and part of it could go beyond our forecast period. So, we're very optimistic about what lies ahead to deploy the use of the proceeds.

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

But just to emphasize what John said here, Shar, we are focused on regulated assets. So, we are not going to go from one unregulated venture to another.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

Terrific. Thanks, again, John. And Phil, congrats on Phase 2. And Mr. Nolan, I'll see you soon. Thanks, guys.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Our next question is from Steve Fleishman from Wolfe.

Steven Fleishman - *Wolfe Research, LLC - MD & Senior Analyst*

Phil, I wish you the best, and hope to see that handicap keep getting lower. So, just maybe first, could you clarify the messaging on your equity needs? Because are you keeping the ATM in place and no matter what here? Or are you just kind of doing this for now until you see the outcome of this and then deciding whether some of this would reduce equity needs? Just better clarity there would be helpful.

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure. Steve, as we mentioned in February, the $1.2 billion program would be executed over several years, right? So, it's not as though we're going to be executing it immediately all at once in the quarter. So, as you all know, our core capital program that we continue to roll out is going in one direction, and it's been increasing very nicely for us. Right now, we're looking at an $18 billion capital investment program that takes us through 2026. So, we view that $1.2 billion as supportive of that capital investment portfolio. But we will continue to monitor. And as I said in my formal remarks, it's too early to determine what impact the potential sale could have on our future financing plan.

Steven Fleishman - *Wolfe Research, LLC - MD & Senior Analyst*

Okay. Is it fair to say that you need to use the proceeds mainly to reduce debt? Or is it just more premature to determine these proceeds?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Yes. So, we are very focused on maintaining an appropriate capital structure. So, with these potential investments that we have discussed a few minutes ago, those would happen over time. So, we are looking at reducing our debt. We are maintaining a pretty high level of short-term debt in our forecast. It does have some further debt issuances that we can certainly take off the table.

Phil Lembo - *Eversource Energy - Senior Strategic Advisor*

And if I could add, Steve, that we've always talked about financing our growth in a balanced manner. And so, we can't do it all one way or the other, and this helps support that balanced financing approach. And it's really, again, to finance the growth that's in the capital plan.

Steven Fleishman - *Wolfe Research, LLC - MD & Senior Analyst*

Got it. That makes sense. And then one other question just on the announced sales. Could you maybe give us a little flavor of what Ørsted's rights are with respect to the partnership? Like do they have a right of first offer or refusal? And do they have any say on who their new partner is going to be? Can they like say no if they don't like somebody? Or could you talk a little bit about that?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Sure. First, let me just tell you that Ørsted is a great partner. I mean, they're my very good friends. I've spent time in Denmark with Mads. I've got a great relationship with Martin, and with their U.S. President David Hardy. So, we have played a very valuable role in that partnership. We continue to play that role. And we expect to continue to help Ørsted as they make landfall here with any project. So, we are a valued partner.

I was in New York, the other night for an event in Long Island, we are making significant progress that land-based construction was supposed to take two years, we ended up doing it in one. So, I think that the relationship will continue. The structure in some form of us helping them as they kind of grow this business. In terms of the commercial terms, just to whether they can buy us out or how that all works, it is confidential at this point. But -- and that we'll begin to share that as we are able to share it with you.

Steven Fleishman - *Wolfe Research, LLC - MD & Senior Analyst*

Okay. Congrats. Phil, I wish you the very best.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Our next question is from Nick Campanella from Crédit Suisse.

Nicholas Campanella - *Crédit Suisse AG, Research Division - Research Analyst*

Congrats to Phil on the retirement announcement. I just wanted to expand a little on Steve's question. I was just curious on just like what your flexibility is on the 50-50 JV? Like are you able to sell just lease bed? Or is the contract structured where you have to monetize an entire kind of part of the JV? I just wasn't sure if there's kind of hurdles to what your flexibility is here.

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. So, I guess our flexibility is great, and our ability to make decisions on all, or part are very flexible. And again, we will evaluate what the results are and what makes the most sense for our business and for our shareholders. So, we are not yanked up in any way.

Nicholas Campanella - *Crédit Suisse AG, Research Division - Research Analyst*

Got it. And then if I could just ask like a non-offshore question, just on inflation. I think you just talked to some higher -- you're seeing higher financing costs across the board. Just where else are you kind of seeing pressure? We've -- it's been a couple of quarters of pretty hot CPI prints, and how do you feel on just overall cost containment within the 5% to 7%?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure, sure. This is John. So, interest rates, obviously, are here in front of us, and we have to manage that, and we have a plan to compensate for that. We're also seeing some pressure. I wouldn't characterize it as significant challenges or hurdles, but we are seeing some challenges in the supply chain and more recently on the fuel component side. And there, again, we are trying to work that challenge through and find opportunities to offset that impact.

Phil Lembo - *Eversource Energy - Senior Strategic Advisor*

Nick, I can add a little to that. Some of the items that you see, if it's commodities or cable or certain types of equipment, it mostly would impact our capital plan. These are sort of items that would be used to advance our capital program. So as John mentioned, sort of the fuel and whatnot, it's there. And I think it's important to keep in mind, too, on the offset of some of our rate plans we -- incremental revenues are based on an inflation or PBR adjusted formula. So, that would help to offset cost increases should they occur going forward.

Nicholas Campanella - *Crédit Suisse AG, Research Division - Research Analyst*

Got it. If I can squeeze just one more in, I'm sorry, but I know that you talked about just -- and if I heard you right, you think that you can replace all of the offshore wind earnings as we get to '26 here. So, is that just -- is that net of full -- that's net of full proceeds and then future investment and purely regulated opportunities? Can you just clarify that?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure. So, we have to wait and see what the ultimate transaction or transactions are, whether it's whole or in part. But we feel very optimistic that we can replace those earnings just given the runway of regulated opportunities that we have ahead of us.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Next question is from Angie Storozynski from Seaport.

Agnieszka Storozynski - *Seaport Research Partners - Research Analyst*

So I'm going to start with a non-offshore wind question. So, about Connecticut, you guys mentioned that Aquarion is going to be filing a rate case there. We saw that PURA denied the WICA filing of the utility, which probably was a sign that a rate case is coming. But can you give us a sense what -- of the latest status of your regulator relationships in the state -- yes, in Connecticut?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes, sure. Our relationships are very positive. I mean, we had hearings a week or two ago on AMI, very, very constructive discussions, very engaged commission. So, I would say that things are good. We got very good relationship with the government with the Attorney General down there. And I think things are very, very much improved, obviously, from some of our challenging times. So, I feel good about the climate down there.

Agnieszka Storozynski - *Seaport Research Partners - Research Analyst*

And how is your expectations for the future electric rate case in the state given the inflationary pressures that you are likely feeling and will continue to feel. Is there any change in the timeline on when you would expect to file the next rate case?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure, Angie. This is John. So, per the settlement agreement, we cannot change rates any earlier than January 1 of 2024. But as part of the settlement agreement, we did put the stake in the ground that that rate review qualified for the four-year come in and show us. So, we can actually stay out probably until 2025. So, it's too early to determine when we would file. Will we file early or later because of that point. So, we will continue to monitor on what the earned returns are for CL&P and make a decision accordingly.

Agnieszka Storozynski - *Seaport Research Partners - Research Analyst*

Okay. And then lastly, on offshore wind. So, I understand that you're just beginning the process, but just looking at the reasons for the process, right, the New York offshore lease auction, which would imply that your leases are probably north of $2 billion, and then the amount of CapEx that you will have spent on offshore wind by the end of this year. I mean again, I'm sort of struggling to see how much of regulated CapEx you can generate in order to deploy the potential proceeds here. Again, we're talking probably -- again, by my count, more of a estimate, more than $4 billion of potential CapEx with -- and again, AMI spending and all of these other projects that you're mentioning are not even anywhere close to the amount of money that you will likely have.

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. Well, a lot of questions there, but let's just start with our offshore wind decision. Obviously, this strategic review is designed to kind of de-risk this business. I mean if you look at the market conditions that occurred with the Bight leases, and you just have to. You have to take a good look at that. In terms of the $4 billion number, I don't know, John, if you want to...

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure. Sure, Angie. I think it's important to note that that $4 billion is not going to happen all at once. It's not going to come in one year. But we feel very optimistic that over -- towards the latter half of our forecast period and beyond, as you know, the two major projects that we had forecasted would kick in, in earnest for the first full year of 2026. So, looking at our ten-year view of investments, we feel very optimistic that we could get to a sizable investment opportunity.

AMI, as you know, is approximately $1 billion, which is not enough, $18 billion forecast here. We have other opportunities on the transmission side to facilitate and accommodate clean energy connections into our service territories. And I gave the example of one from an offshore developer, and we see more happening, certainly in Massachusetts with the recent bids that were awarded earlier this year. So once again, we feel very optimistic that over time, we will certainly get to that $4 billion number that you cited.

Agnieszka Storozynski - *Seaport Research Partners - Research Analyst*

But it would be probably twice as much now because it's just the equity component, right, of the future growth, right? So, it would have to be more like $8 billion of CapEx, right, to deploy this cash? Again, I understand it's early innings of the process, but I'm just doing a simple math here.

John M. Moreira - *Eversource Energy - Treasurer & CFO*

No, I understand. And Angie, where the states and the region is going from a clean energy and clean goals setting, there will be a need to accommodate further development, certainly on the electric side, both on the distribution side and on the transmission side. So, we have the decarbonization strategy. And I think we're seeing some of that happen in our service territory where loads are increasing, and we have to address those loads in the short term. And then you layer on further demands that we see that as a window of opportunity. Once again, it's probably too early for us to put pen to paper, but given what we see and what we hear from our state policies, we feel very optimistic about it.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Our next question is from Durgesh from Evercore.

Durgesh Chopra - *Evercore ISI Institutional Equities, Research Division - MD and Head of Power & Utilities Research*

First, just as we think about and try to model the valuation -- future valuation of these assets, are we still using the 6% to 8% net income off of the '26. Is that sort of a good estimate still for the -- as a representative of earnings from these assets?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes, that is correct.

Durgesh Chopra - *Evercore ISI Institutional Equities, Research Division - MD and Head of Power & Utilities Research*

Got it. And then just one question, Joe. Like I'm thinking strategically, if you, let's say, exit all of the potentially all of these offshore assets, how does that impact your onshore transmission and distribution investments? I guess the impetus of this question is, does it help you owning offshore assets with the onshore wind -- onshore transmission distribution investments? Or it doesn't matter? I'm just thinking about the implications on your onshore plan as it relates to these assets and other offshore assets for that matter?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. One of the interesting aspects of this wind development has been that even when we -- the unregulated business has lost bidding in different states, we end up winning the interconnection and the transmission builds for these developers. So that continues, and I'm very, very optimistic about it. So, I think we will continue to play a role on the onshore. We will -- I can tell you, we will. And I don't think we won't, we will play a role on the regulated onshore wind transmission, construction and operation for all these offshore wind developers. And the appetite is extraordinary.

Durgesh Chopra - *Evercore ISI Institutional Equities, Research Division - MD and Head of Power & Utilities Research*

Got it. Sounds like you're pretty optimistic and bullish on those prospects as it relates to onshore investments. Okay, thank you. And Phil and Jim, congrats to you both.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Next question is from Jeremy from JPMorgan.

Ryan Karnish - *JPMorgan Chase & Co, Research Division - Research Analyst*

It's actually Ryan Karnish on for Jeremy. Just to start with the future of gas proceeding in Massachusetts, and maybe thinking through the potential regulated CapEx opportunities there, and just any kind of high-level thoughts on kind of the level of CapEx that might enable to kind of bring it to the plan? And then just over what time frame these might materialize?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. So, we're playing an active role, obviously, in that proceeding. We continue to feel very good about the gas business. I'll let John maybe weigh in around the kind of the CapEx plan, but we still feel very, very good about it. And we're playing a key role in that proceeding. So, John?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Yes. So, on that specific question, once again, I think it's too early. We just filed this a couple of months ago. But I can tell you that what we do have is we do have about a $10 million investment opportunity in Framingham that we mentioned that we're looking to test from a geothermal standpoint. But once again, I think it's too early for us to size the breadbasket at this point.

Ryan Karnish - *JPMorgan Chase & Co, Research Division - Research Analyst*

I totally understand. And then just one on offshore, maybe tackling the financing side from a different perspective. But you talked about in the prepared about having discussions recently with the agencies. But just kind of wondering at any kind of high level how you think about a potential partial or full sell-down, what it might do to kind of your credit thresholds? And how should we kind of think about that kind of impacting the financing plan?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Well, we feel comfortable with what we have announced, the $1.2 billion equity needs. And as we've said, regardless of what we -- the ultimate proceeds are from this initiative, we're not -- that's not likely to change at this point. We still need to continue to evaluate it. But we feel pretty optimistic as to where we are. As I mentioned, Fitch, kind of reaffirmed all of our ratings, and we're optimistic that Moody's and S&P will follow soon.

Phil Lembo - *Eversource Energy - Senior Strategic Advisor*

If I can add to that. We alluded to the fact of making the visits and whatnot. And I would add that just would be viewed as credit positive in a sense whether it be from a proceeds standpoint or where you fall on their risk grid types of things. So, we'll have to work over the next few months for their -- they'll have to work on their analysis over the next few months. But I think in an overall, big picture sense, a credit positive outlook from this announcement.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Okay. Thank you, Ryan. Appreciate it. Next question is from Insoo Kim from Goldman.

Insoo Kim - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

First question, touching up a little bit more on whether it's the transmission or other opportunities related to offshore development in your area? Just as you think about the next five years or the ten-year build-out of the gigawatts in your service territories, how -- is there any way to frame or size the opportunity set, again, whether it's transmission or others related to offshore wind that are more incumbent to your -- and you have more of a right to those investments versus those that may be more competitive in nature?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. When you look at -- one of the things that we've looked at in our business is, if you're an offshore wind developer, you're going to make landfall, it makes a lot of sense for you to go to the host utility. Yes, granted there might be some competitive aspect to it. But just like our project in Rhode Island, obviously, National Grid would be a partner as we made landfall. We look at our partners in New York as well. And it's generally the host utility. Yes, could somebody go another way? Yes, they certainly could.

But I think that -- when you look at our operations and our transmission business, I don't think you'll find better operators. I think we demonstrated that with the reliability project here that was competitive in Boston. We did team up with National Grid and folks came in from around the country. And we won that, and we were able to execute it and our pricing was far better than anybody else. So, I think we have the best team in this space, and I'm not concerned about somebody coming in and trying to cut our grass.

Insoo Kim - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

That makes sense. But Joe, are you -- is there any way to frame kind of the magnitude of those investments just based on the development of projects that are supposed to come online in your areas over the next five, ten years?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Well, I got to tell you, I mean we have visibility around the projects that have won. But as you know, each time a project wins and kind of where it has to locate, there used to be a lot of transmission planning, ISO studying around the interconnection. So, I wish I did. I'd love to be able to tell you that it's a $5 billion or it's a $10 billion, but I will tell you, it is significant, and they all want to get into our territory. This is the load center. So, it's not a matter of what state. They're coming into this region, and they're going to come into our territory. So, the number I just -- it's too early for me to tell you. And if I knew it, I'd tell you.

Insoo Kim - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

I'm sure you will. My other question, just thinking about the potential use of the proceeds, I know it's too early from the strategic review. But is the low-hanging fruit, I guess, a combination of looking at your balance sheet or the organic CapEx that you're talking about? Or could this open up potentially just from a capital perspective, some options on the inorganic side of the business on the utility side?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. I guess all of those. I think it's a combination of that. I think you know that when we get into the kind of acquisition market, it's always -- we're always kind of smart investors. We're not going to do anything crazy. You're not going to see us go across the country. You're not going to see us make a poor decision. We make very good decisions, and I think it's a combination of all those factors that we would use any proceeds from wind.

Insoo Kim - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

Got it. That's all for me. Phil, it's been a pleasure. John, congratulations. Looking forward to it.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thanks, Insoo. Next question is from David Arcaro from Morgan Stanley.

David Arcaro - *Morgan Stanley, Research Division - Research Associate*

Congratulations, Phil and John. In terms of just the inflationary backdrop here, could you give any sense of what you're seeing for the year-over-year increase in your bills so far -- in your customer bills so far this year? I know everybody is facing it. I'm just curious if you're -- if you've got any level of quantification you could offer for what we were seeing for a year-over-year increase?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Well, kind of overall with the energy component, probably in the 7% range that we're seeing year-over-year, net-ne].

David Arcaro - *Morgan Stanley, Research Division - Research Associate*

Got it. Okay. That's helpful. And then on the, let's say, the $200 million transmission opportunity that you alluded to in the script, is that in the plan yet? And could you remind me when that would come into service?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

It's not in our $18 billion capital forecast that we disseminated in February. If you recall, David, in February, we said in addition to the $18 billion, we were seeing some opportunities, and we had quantified a potential opportunity for offshore interconnection in Massachusetts of approximately $500 million. So, this $200 million filing that we did with FERC is $200 million of that $500 million. So, as I said, we're confident that there will be more to get us to at least $500 million, if not over. And the timing of that would be, I would say, in the next year, you could see it materialize this year as these PPAs are now being filed with the DPU and the studies are in front of ISO-New England already for review.

David Arcaro - *Morgan Stanley, Research Division - Research Associate*

Got it. And then just last quick question on the offshore wind costs in terms of the percentage that's locked in, what would you anticipate it to be at toward the end of the year from that 80% level currently?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes, we should be closer to 100%. We've got eyes on that kind of remaining piece of it. We feel good about it. It's not anything that's keeping me up at night.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thank you, David. Next question is from Andrew Weisel from Scotia.

Andrew Weisel - *Scotiabank Global Banking and Markets, Research Division - Analyst*

First, just another congratulations to Phil and John. Next, I want to elaborate just on a couple of things talked about. First, potential buyers. You've been clear that you'd only be interested in offshore wind off of the coast of your region, let's say, the Northeast. Should a sale happen, would the buyer also be restricted to that region? Or could they work with Ørsted projects in other parts of the country?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. I don't see anything that would restrict them from that. I think that they could operate any way they wanted to operate. But again, it's pretty early in the process.

Andrew Weisel - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Okay. Just wanted to know if there was anything in your contract with Ørsted. It sounds like, no.

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Just -- I just want you to keep in mind that -- that whole philosophy around sticking to your knitting in this region it's because that's what we know. We're good at it. I mean we just wanted -- that really was our mantra because that is where we feel comfortable. This is our space, we know the space. So that's what we talked about. It wasn't a contractual situation, it was more that we didn't want folks to worry that we were going to hit California or the Midwest. I mean, we're going to stick to where we know and we know this region very, very well, and we feel good about it. So that was kind of the caveat that we had around wind.

Andrew Weisel - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Okay. Thank you for clarifying that. Next, on financing, you potentially might get a lot of cash proceeds here. You talked a lot about mitigating or offsetting the $1.2 billion of ATM equity. What about the DRIP? I believe that's about $120 million per year. Could you turn that off if you had this good cash position?

John M. Moreira - *Eversource Energy - Treasurer & CFO*

This is John, Andrew. So yes, I mean, we've confirmed that the $1.2 billion where we will be executing over the next several years starting this quarter. But you're absolutely right. The DRIP, we have much more flexibility to turn on and off. But right now, we're looking to execute, and that will be reassessed once we see, as we get closer to closing on its potential transaction.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

All right. Thank you, Andrew. Next question is from Julien from Bank of America.

Julien Dumoulin-Smith - *BofA Securities, Research Division - Director and Head of the US Power, Utilities & Alternative Energy Equity Research*

Phil, John, it's a pleasure. I look forward to more. And maybe with that, again, I know lots of things have been asked and answered, but I want to come back to this tension on how much offshore net income were you expecting? And are you expecting to offset by 2026? I know earlier in response to Steve's question, you specifically kind of flagged debt paydown as an element or the bulk of what proceeds would be used for.

But how should we think about what that increment was in last quarter, we spent a bunch of time talking about ROEs and how much net income was attributable here. You talked about holding yourself sort of even against that original expectation. I'm just trying to reconcile the math this quarter and last quarter.

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure. Sure, Julien. This is John, and thank you for your comment. So once again, as we've said, I'm very confident that we could find those opportunities, given the policies that are -- policymakers in the states that we operate in. We've already given you a lot of information, AMI being one of them, that in and of itself, as you know, is about $1 billion. And on the transmission side, there's also the opportunities that I laid out to you. And that's just for Massachusetts for what awards have been issued for Massachusetts.

So, there's still a lot more space out there for further development. And as Joe mentioned, people are looking to connect in Southern Connecticut and in Massachusetts. So, we feel confident that we will have the opportunities to a combination of investments, a combination of lower financing requirements that we would need otherwise. So, we feel very confident that we'll be able to size those opportunities as we move forward. Right now, it's still too early to tell.

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

And there's no tension, Julien, no tension. Don't worry about that.

Julien Dumoulin-Smith - *BofA Securities, Research Division - Director and Head of the US Power, Utilities & Alternative Energy Equity Research*

Thank you, John. And if I can just rephrase it slightly differently, especially coming off those rating agency conversations, I know you talked about the $1.2 billion in ATM here. I mean, how should we think about the need for equity beyond the $1.2 billion, especially in the context of this offshore? I'm just trying to understand like how much further equity is needed that would be allocated from these proceeds? Again, obviously, you're not building something, so that changes the financing plan. But just to try to level-set on that incremental equity piece that seems to be here against the backdrop of earnings growth, if I can ask it slightly differently. Really appreciate your clarity here.

John M. Moreira - *Eversource Energy - Treasurer & CFO*

Sure. And I would say it's far too early for us to make that determination as to what those financing plans look like because we don't know exactly what will be the ultimate outcome of this review that we're going through and the timing of those investment opportunities that I've mentioned.

Phil Lembo - *Eversource Energy - Senior Strategic Advisor*

We have no plans to do further equity, Julien if that's clear, and just to be clear to you, you use the word incremental. So, what we've talked about this morning is not incremental. It was part of what we discussed in February. So, it's the plan of the $1.2 billion plus the minor shares or dollars that come in from DRIP. And there are no incremental equity plans in the plan.

Julien Dumoulin-Smith - *BofA Securities, Research Division - Director and Head of the US Power, Utilities & Alternative Energy Equity Research*

Got it. Got it. This doesn't satiate [anything]. Great. Phil, I appreciate it.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Next question is from Ryan Levine at Citi.

Ryan Levine - *Citigroup Inc., Research Division - VP*

I appreciate the valuation argument for potential monetization. But can you talk about any strategic dis-synergies or synergies that would impact any decision-making about potential deal structuring? Are there any practical reasons for Eversource to maintain ownership or play a part in ongoing onshore wind operations, at least from a contractual standpoint? And then in any of this context, why is now the right time?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. So, a couple of things. Thanks for the question. In terms of dis-synergies, absolutely not. I mean this piece of the business as it relates to what we were focused on, which is the onshore, that was the kind of piece that we brought to the table. And that continues to happen. It happens both in our unregulated business as well as regulated for other folks that want to interconnect. So that will not be the case. In terms of why now?

I think we all saw what happened in the New York Bight leases, and the appetite is extraordinary. The pricing is extraordinary, and it's just something that is right for us to do for our shareholders. And that's why we made this decision. Again, this is a decision we've made to take a look at it. It's a strategic review, and I feel it's the right thing to do, and so do our Board members.

Ryan Levine - *Citigroup Inc., Research Division - VP*

So if valuation is the primary consideration, how do you -- would you prefer to just get a valuation marker on a minority sale as opposed to selling your entire stake outright? Given some of the cash proceed questions that you articulated earlier in the call?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

I think that we've shared with folks the opportunities in the regulated space that are available to us. And we think that the opportunities are extraordinary. So, I don't think it would make any sense for a partial. If the number is right on a full, then we will make that decision, and we will exit it.

Ryan Levine - *Citigroup Inc., Research Division - VP*

Appreciate it. I look forward to seeing you in Boston, next week.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thanks, Ryan. Appreciate it. Next question is from Sophie from KeyBanc.

Sophie Karp - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Analyst of Electric Utilities & Power*

So I can't help it, but try and ask you another offshore question maybe from a different angle here. I guess I understand the logic behind each individual piece in this positive, right, it makes sense to try and monetize it given where the relations are, et cetera, right? But like help me paint the broader strategic picture, please?

If you are still -- you seem like you're selling an asset that you don't need to sell, even though you also don't need -- don't have an immediate need in funding, right? So, you don't have the need for that money. Despite all that, you're still proceeding with the equity, and you've yet to kind of quantify where those user proceeds would go. So, like strategically, I guess, what is this strategic narrative here? I'm still struggling after listening to the discussion to clearly kind of depict that?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes, sure. I guess the strategic narrative is this extraordinary opportunity in the regulated space that we know we're very, very, very good at, number one; and number two, we have some assets that are worth significantly more than we paid or invested in, and we see an opportunity to rotate and de-risk on behalf of our shareholders, which is really what the mission is. And we see that opportunity as being advantageous for all the parties, and that's why we made that decision. And again, the reason why is the appetite in offshore wind is extraordinary. And also, the needs in offshore wind in terms of interconnection are extraordinary. That's what we're very, very good at, and we're going to play to our strength.

Sophie Karp - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Analyst of Electric Utilities & Power*

Okay. So, you used this word a few times now, like to de-risk business, right? And I get it. But the question is, do you think that the risk profile of this project has changed since the time you've entered into this contract originally?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

The profile of the project, has it changed? The risk -- well, no. I mean there're additional lease areas that have been put out. There're additional players in the marketplace. And as you know, I think everybody on this call knows how disciplined we are in terms of our investments, and we have to remain disciplined. So, if you're going to bring a significant number of undisciplined folks into this equation, then -- that's really not a place for this company.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

All right. Next question is from Paul Patterson from Glenrock.

Paul Patterson - *Glenrock Associates LLC - Analyst*

First of all, congratulations, Phil and John, and just congratulations, Phil. And I see you're sort of getting off easy here somehow, but I don't know why, but anyway good for you. Just on the review, I mean, almost everything has been asked here. But just -- I know this -- I'm just wondering, have you had any indications or expressions of interest -- and I apologize if I missed this. So far, I know that your Board took action just now, but has there been -- or have you had any preliminary indications of interest?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

No, we have not, because that was -- we just made the announcement yesterday. So, we do expect that there will be significant interest there probably already is at this point. We've been focused on this earnings call, but we do anticipate significant interest in these assets.

Paul Patterson - *Glenrock Associates LLC - Analyst*

And I thought that you expected to have to review this through the rest of this year. So, is that -- should we expect something -- I know it's kind of early, but December-ish where we might hear an announcement? Or could it happen earlier? Or...

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. It could happen earlier. I think you'll have some updates as things progress. I think we'll have a better understanding as to folks that are going to show up. And I think, as you know, we're very transparent, and we'll share as things become available.

Paul Patterson - *Glenrock Associates LLC - Analyst*

Awesome. I think it sounds really smart. And again, congratulations, Phil. I feel like asking you questions about Pilgrim or something. But congratulations again, and best wishes. Take care.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

All right. Thank you, Paul. I think we're going to wrap up with this last question from Travis Miller from Morningstar. Travis?

Travis Miller - *Morningstar Inc., Research Division - Director of Utilities Research and Strategist*

Congratulations, Phil, John, I appreciate all the information you guys have given over the years. Real quick, a follow-up to follow-up to follow-up. You've talked about offshore wind returns being higher than the regulated returns you're getting -- just wonder if anything has changed that as you look out in terms of supply chain or inflation on the worker side or materials, et cetera?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

Yes. So, I'll take that. I guess, I will tell you that the returns remain higher than regulated returns today. So, we still feel that way about it and that is the case in all of our estimates and our kind of projections are. They are higher than our regulated returns, yes.

Travis Miller - *Morningstar Inc., Research Division - Director of Utilities Research and Strategist*

Okay. Great. And then just one quick follow-up again to Massachusetts. Do you think the spirit of the DPU's, say, investigation or requests, have to do with some of the political and legal stuff that's happened over the last couple of years in Massachusetts regarding gas bans and other fossil fuel bans?

Joseph R. Nolan - *Eversource Energy - President, CEO & Trustee*

No, absolutely. I think that just demonstrated Governor Baker's leadership around gas and his desire to at least let everyone have a fair hearing and try to sort this out. So no, I think it's -- we actually welcomed it. Obviously, it's a very thoughtful and deliberate process that we have a seat at the table, and we will see this through, and it will happen this year.

Jeffrey R. Kotkin - *Eversource Energy - VP of IR*

Thank you, Travis. We appreciate it. We're -- I don't see any other folks in the queue, but if you have any further questions, please either reach out by e-mail or phone to us today. We really appreciate you being with us. And I'm going to turn it back to Irene for any closing instructions.

Operator

Thank you, Jeffrey. Currently, we have no further questions. In case Jeffrey would not like to have any closing remarks, then ladies and gentlemen, this concludes today's conference call. Thank you for being us today. Have a lovely day ahead. You may disconnect your lines now.