

EVERSOURCE ENERGY
Form 10-Q
August 04, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission Registrant; State of Incorporation;
File Number Address; and Telephone Number

I.R.S. Employer
Identification No.

1-5324	EVERSOURCE ENERGY (a Massachusetts voluntary association) 300 Cadwell Drive Springfield, Massachusetts 01104 Telephone: (800) 286-5000	04-2147929
0-00404	THE CONNECTICUT LIGHT AND POWER COMPANY (a Connecticut corporation) 107 Selden Street Berlin, Connecticut 06037-1616 Telephone: (800) 286-5000	06-0303850
1-02301	NSTAR ELECTRIC COMPANY (a Massachusetts corporation) 800 Boylston Street Boston, Massachusetts 02199 Telephone: (800) 286-5000	04-1278810
1-6392	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE (a New Hampshire corporation) Energy Park 780 North Commercial Street Manchester, New Hampshire 03101-1134 Telephone: (800) 286-5000	02-0181050

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WESTERN MASSACHUSETTS ELECTRIC COMPANY

(a Massachusetts corporation)

0-7624

300 Cadwell Drive
Springfield, Massachusetts 01104
Telephone: (800) 286-5000

04-1961130

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

YesNo

x ..

Indicate by check mark whether the registrants have submitted electronically and posted on its corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

YesNo

x ..

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
Eversource Energy	x	..	..	..	..
The Connecticut Light and Power Company	x	..	..
NSTAR Electric Company	x	..	..
Public Service Company of New Hampshire	x	..	..
Western Massachusetts Electric Company	x	..	..

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act):

YesNo

Eversource Energy	..	x
The Connecticut Light and Power Company	..	x
NSTAR Electric Company	..	x
Public Service Company of New Hampshire	..	x
Western Massachusetts Electric Company	..	x

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Indicate the number of shares outstanding of each of the issuers' classes of common stock, as of the latest practicable date:

Company - Class of Stock	Outstanding as of July 31, 2017
Eversource Energy Common Shares, \$5.00 par value	316,885,808 shares
The Connecticut Light and Power Company Common Stock, \$10.00 par value	6,035,205 shares
NSTAR Electric Company Common Stock, \$1.00 par value	100 shares
Public Service Company of New Hampshire Common Stock, \$1.00 par value	301 shares
Western Massachusetts Electric Company Common Stock, \$25.00 par value	434,653 shares

Eversource Energy holds all of the 6,035,205 shares, 100 shares, 301 shares, and 434,653 shares of the outstanding common stock of The Connecticut Light and Power Company, NSTAR Electric Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company, respectively.

NSTAR Electric Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company each meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q, and each is therefore filing this Form 10-Q with the reduced disclosure format specified in General Instruction H(2) of Form 10-Q.

Eversource Energy, The Connecticut Light and Power Company, NSTAR Electric Company, Public Service Company of New Hampshire, and Western Massachusetts Electric Company each separately file this combined Form 10-Q. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants.

GLOSSARY OF TERMS

The following is a glossary of abbreviations or acronyms that are found in this report:

Current or former Eversource Energy companies, segments or investments:

Eversource, ES or the Company Eversource Energy and subsidiaries

Eversource parent or ES parent Eversource Energy, a public utility holding company

ES parent and other companies ES parent and other companies are comprised of Eversource parent, Eversource Service and other subsidiaries, which primarily includes our unregulated businesses, HWP Company, The Rocky River Realty Company (a real estate subsidiary), and the consolidated operations of CYAPC and YAEC

CL&P The Connecticut Light and Power Company

NSTAR Electric NSTAR Electric Company

PSNH Public Service Company of New Hampshire

WMECO Western Massachusetts Electric Company

NSTAR Gas NSTAR Gas Company

Yankee Gas Yankee Gas Services Company

NPT Northern Pass Transmission LLC

Eversource Service Eversource Energy Service Company

CYAPC Connecticut Yankee Atomic Power Company

MYAPC Maine Yankee Atomic Power Company

YAEC Yankee Atomic Electric Company

Yankee Companies CYAPC, YAEC and MYAPC

Regulated companies The Eversource Regulated companies are comprised of the electric distribution and transmission businesses of CL&P, NSTAR Electric, PSNH, and WMECO, the natural gas distribution businesses of Yankee Gas and NSTAR Gas, the generation activities of PSNH and WMECO, and NPT

Regulators:

DEEP Connecticut Department of Energy and Environmental Protection

DOE U.S. Department of Energy

DOER Massachusetts Department of Energy Resources

DPU Massachusetts Department of Public Utilities

EPA U.S. Environmental Protection Agency

FERC Federal Energy Regulatory Commission

ISO-NE ISO New England, Inc., the New England Independent System Operator

MA DEP Massachusetts Department of Environmental Protection

NHPUC New Hampshire Public Utilities Commission

PURA Connecticut Public Utilities Regulatory Authority

SEC U.S. Securities and Exchange Commission

SJC Supreme Judicial Court of Massachusetts

Other Terms and Abbreviations:

Access Northeast A project being developed jointly by Eversource, Enbridge, Inc. ("Enbridge"), and National Grid plc ("National Grid") through Algonquin Gas Transmission, LLC to bring needed additional natural gas pipeline and storage capacity to New England.

ADIT Accumulated Deferred Income Taxes

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AFUDC	Allowance For Funds Used During Construction
AOCL	Accumulated Other Comprehensive Loss
ARO	Asset Retirement Obligation
Bay State Wind	A project being developed jointly by Eversource and Denmark-based DONG Energy to construct an offshore wind farm off the coast of Massachusetts
Bcf	Billion cubic feet
C&LM	Conservation and Load Management
CfD	Contract for Differences
Clean Air Project	The construction of a wet flue gas desulphurization system, known as "scrubber technology," to reduce mercury emissions of the Merrimack coal-fired generation station in Bow, New Hampshire
CO ₂	Carbon dioxide
CPSL	Capital Projects Scheduling List
CTA	Competitive Transition Assessment
CWIP	Construction Work in Progress
EDC	Electric distribution company
EPS	Earnings Per Share
ERISA	Employee Retirement Income Security Act of 1974

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ESOP	Employee Stock Ownership Plan
ESPP	Employee Share Purchase Plan
Eversource 2016 Form 10-K	The Eversource Energy and Subsidiaries 2016 combined Annual Report on Form 10-K as filed with the SEC
FERC ALJ	FERC Administrative Law Judge
Fitch	Fitch Ratings
FMCC	Federally Mandated Congestion Charge
FTR	Financial Transmission Rights
GAAP	Accounting principles generally accepted in the United States of America
GSC	Generation Service Charge
GSRP	Greater Springfield Reliability Project
GWh	Gigawatt-Hours
HQ	Hydro-Québec, a corporation wholly-owned by the Québec government, including its divisions that produce, transmit and distribute electricity in Québec, Canada
HVDC	High voltage direct current
Hydro Renewable Energy	Hydro Renewable Energy, Inc., a wholly-owned subsidiary of Hydro-Québec
IPP	Independent Power Producers
ISO-NE Tariff	ISO-NE FERC Transmission, Markets and Services Tariff
kV	Kilovolt
kVa	Kilovolt-ampere
kW	Kilowatt (equal to one thousand watts)
kWh	Kilowatt-Hours (the basic unit of electricity energy equal to one kilowatt of power supplied for one hour)
LBR	Lost Base Revenue
LNG	Liquefied natural gas
LRS	Supplier of last resort service
MMcf	Million cubic feet
MGP	Manufactured Gas Plant
MMBtu	One million British thermal units
Moody's	Moody's Investors Services, Inc.
MW	Megawatt
MWh	Megawatt-Hours
NEEWS	New England East-West Solution
NETOs	New England Transmission Owners
Northern Pass	The high-voltage direct-current and associated alternating-current transmission line project from Canada into New Hampshire
NOx	Nitrogen oxides
OCI	Other Comprehensive Income/(Loss)
PAM	Pension and PBOP Rate Adjustment Mechanism
PBOP	Postretirement Benefits Other Than Pension
PBOP Plan	Postretirement Benefits Other Than Pension Plan that provides certain retiree benefits, primarily medical, dental and life insurance
PCRBs	Pollution Control Revenue Bonds
Pension Plan	Single uniform noncontributory defined benefit retirement plan
PPA	Pension Protection Act
RECs	Renewable Energy Certificates
Regulatory ROE	The average cost of capital method for calculating the return on equity related to the distribution and generation business segment excluding the wholesale transmission segment

RNS	Regional Network Service
ROE	Return on Equity
RRB	Rate Reduction Bond or Rate Reduction Certificate
RSUs	Restricted share units
S&P	Standard & Poor's Financial Services LLC
SBC	Systems Benefits Charge
SCRC	Stranded Cost Recovery Charge
SERP	Supplemental Executive Retirement Plans and non-qualified defined benefit retirement plans
SIP	Simplified Incentive Plan
SO ₂	Sulfur dioxide
SS	Standard service
TCAM	Transmission Cost Adjustment Mechanism
TSA	Transmission Service Agreement
UI	The United Illuminating Company

EVERSOURCE ENERGY AND SUBSIDIARIES
 THE CONNECTICUT LIGHT AND POWER COMPANY
 NSTAR ELECTRIC COMPANY AND SUBSIDIARY
 PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
 WESTERN MASSACHUSETTS ELECTRIC COMPANY

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EVERSOURCE ENERGY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2017	As of December 31, 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$24,638	\$30,251
Receivables, Net	833,945	847,301
Unbilled Revenues	158,183	168,490
Fuel, Materials, Supplies and Inventory	286,296	328,721
Regulatory Assets	870,393	887,625
Prepayments and Other Current Assets	157,359	215,284
Total Current Assets	2,330,814	2,477,672
Property, Plant and Equipment, Net	22,071,496	21,350,510
Deferred Debits and Other Assets:		
Regulatory Assets	3,580,981	3,638,688
Goodwill	3,519,401	3,519,401
Marketable Securities	565,460	544,642
Other Long-Term Assets	590,688	522,260
Total Deferred Debits and Other Assets	8,256,530	8,224,991
Total Assets	\$32,658,840	\$32,053,173
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable	\$937,500	\$1,148,500
Long-Term Debt – Current Portion	1,483,883	773,883
Accounts Payable	587,174	884,521
Regulatory Liabilities	185,930	146,787
Other Current Liabilities	591,222	684,914
Total Current Liabilities	3,785,709	3,638,605
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	5,900,052	5,607,207
Regulatory Liabilities	696,740	702,255
Derivative Liabilities	402,138	413,676
Accrued Pension and SERP	1,073,510	1,141,514
Other Long-Term Liabilities	860,579	853,260
Total Deferred Credits and Other Liabilities	8,933,019	8,717,912
Capitalization:		
Long-Term Debt	8,899,021	8,829,354

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Noncontrolling Interest - Preferred Stock of Subsidiaries 155,568 155,568

Equity:

Common Shareholders' Equity:

Common Shares	1,669,392	1,669,392
Capital Surplus, Paid In	6,232,501	6,250,224
Retained Earnings	3,364,336	3,175,171
Accumulated Other Comprehensive Loss	(62,935)	(65,282)
Treasury Stock	(317,771)	(317,771)
Common Shareholders' Equity	10,885,523	10,711,734
Total Capitalization	19,940,112	19,696,656

Total Liabilities and Capitalization \$32,658,840 \$32,053,173

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EVERSOURCE ENERGY AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

(Thousands of Dollars, Except Share Information)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Operating Revenues	\$1,762,811	\$1,767,184	\$3,867,946	\$3,822,819
Operating Expenses:				
Purchased Power, Fuel and Transmission	549,704	581,260	1,303,353	1,336,119
Operations and Maintenance	302,714	320,714	632,979	640,850
Depreciation	189,881	176,507	376,686	350,492
Amortization of Regulatory (Liabilities)/Assets, Net	(7,807)	(8,716)	16,210	12,281
Energy Efficiency Programs	116,398	119,667	262,556	256,842
Taxes Other Than Income Taxes	156,234	154,330	311,455	314,277
Total Operating Expenses	1,307,124	1,343,762	2,903,239	2,910,861
Operating Income	455,687	423,422	964,707	911,958
Interest Expense	107,329	100,492	210,758	198,703
Other Income, Net	21,543	8,038	35,120	10,049
Income Before Income Tax Expense	369,901	330,968	789,069	723,304
Income Tax Expense	137,272	125,439	295,103	271,742
Net Income	232,629	205,529	493,966	451,562
Net Income Attributable to Noncontrolling Interests	1,880	1,880	3,759	3,759
Net Income Attributable to Common Shareholders	\$230,749	\$203,649	\$490,207	\$447,803
Basic and Diluted Earnings Per Common Share	\$0.72	\$0.64	\$1.54	\$1.41
Dividends Declared Per Common Share	\$0.48	\$0.45	\$0.95	\$0.89
Weighted Average Common Shares Outstanding:				
Basic	317,391,365	317,785,495	317,427,258	317,651,319
Diluted	317,947,194	318,476,699	318,035,864	318,478,876

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income	\$232,629	\$205,529	\$493,966	\$451,562
Other Comprehensive (Loss)/Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	514	534	1,048	1,068
Changes in Unrealized Gains on Marketable Securities	960	1,061	2,605	1,325
Changes in Funded Status of Pension, SERP and	(2,268)	(1,784)	(1,306)	(913)

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PBOP Benefit Plans				
Other Comprehensive (Loss)/Income, Net of Tax	(794) (189) 2,347	1,480
Comprehensive Income Attributable to Noncontrolling Interests	(1,880	) (1,880	) (3,759	) (3,759
Comprehensive Income Attributable to Common Shareholders	\$ 229,955	\$ 203,460	\$ 492,554	\$ 449,283

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2017	2016
Operating Activities:		
Net Income	\$493,966	\$451,562
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	376,686	350,492
Deferred Income Taxes	269,505	250,851
Pension, SERP and PBOP Expense, Net	11,242	22,659
Pension and PBOP Contributions	(91,400)	(65,929)
Regulatory Over/(Under) Recoveries, Net	85,792	(5,768)
Amortization of Regulatory Assets, Net	16,210	12,281
Other	(94,666)	(10,808)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(7,660)	(76,751)
Fuel, Materials, Supplies and Inventory	42,425	43,930
Taxes Receivable/Accrued, Net	23,980	230,075
Accounts Payable	(168,221)	(151,996)
Other Current Assets and Liabilities, Net	(49,889)	(72,160)
Net Cash Flows Provided by Operating Activities	907,970	978,438
Investing Activities:		
Investments in Property, Plant and Equipment	(1,146,952)	(869,168)
Proceeds from Sales of Marketable Securities	373,853	327,581
Purchases of Marketable Securities	(394,379)	(322,244)
Other Investing Activities	(11,050)	(2,991)
Net Cash Flows Used in Investing Activities	(1,178,528)	(866,822)
Financing Activities:		
Cash Dividends on Common Shares	(301,042)	(282,314)
Cash Dividends on Preferred Stock	(3,759)	(3,759)
Decrease in Notes Payable	(211,000)	(393,953)
Issuance of Long-Term Debt	950,000	800,000
Retirements of Long-Term Debt	(150,000)	(200,000)
Other Financing Activities	(19,254)	(16,811)
Net Cash Flows Provided by/(Used in) Financing Activities	264,945	(96,837)
Net (Decrease)/Increase in Cash and Cash Equivalents	(5,613)	14,779
Cash and Cash Equivalents - Beginning of Period	30,251	23,947
Cash and Cash Equivalents - End of Period	\$24,638	\$38,726

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

THE CONNECTICUT LIGHT AND POWER COMPANY
CONDENSED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2017	As of December 31, 2016
ASSETS		
Current Assets:		
Cash	\$5,837	\$6,579
Receivables, Net	371,504	359,132
Accounts Receivable from Affiliated Companies	22,805	16,851
Unbilled Revenues	50,436	50,373
Materials, Supplies and Inventory	57,324	52,050
Regulatory Assets	346,520	335,526
Prepayments and Other Current Assets	14,608	52,670
Total Current Assets	869,034	873,181
Property, Plant and Equipment, Net	7,940,398	7,632,392
Deferred Debits and Other Assets:		
Regulatory Assets	1,343,011	1,391,564
Other Long-Term Assets	138,405	137,907
Total Deferred Debits and Other Assets	1,481,416	1,529,471
Total Assets	\$10,290,848	\$10,035,044
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$101,100	\$80,100
Long-Term Debt – Current Portion	400,000	250,000
Accounts Payable	229,435	289,532
Accounts Payable to Affiliated Companies	54,046	88,075
Obligations to Third Party Suppliers	52,854	55,520
Regulatory Liabilities	62,195	47,055
Derivative Liabilities	64,301	77,765
Other Current Liabilities	143,998	120,399
Total Current Liabilities	1,107,929	1,008,446
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	2,071,421	1,987,661
Regulatory Liabilities	101,863	100,138
Derivative Liabilities	402,002	412,750
Accrued Pension, SERP and PBOP	301,691	300,208
Other Long-Term Liabilities	125,996	123,244
Total Deferred Credits and Other Liabilities	3,002,973	2,924,001
Capitalization:		

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Long-Term Debt	2,513,522	2,516,010
Preferred Stock Not Subject to Mandatory Redemption	116,200	116,200
Common Stockholder's Equity:		
Common Stock	60,352	60,352
Capital Surplus, Paid In	2,110,739	2,110,714
Retained Earnings	1,378,895	1,299,374
Accumulated Other Comprehensive Income/(Loss)	238	(53)
Common Stockholder's Equity	3,550,224	3,470,387
Total Capitalization	6,179,946	6,102,597
Total Liabilities and Capitalization	\$10,290,848	\$10,035,044

The accompanying notes are an integral part of these unaudited condensed financial statements.

THE CONNECTICUT LIGHT AND POWER COMPANY
 CONDENSED STATEMENTS OF INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Operating Revenues	\$666,558	\$679,787	\$1,398,867	\$1,415,103
Operating Expenses:				
Purchased Power and Transmission	207,211	234,504	452,149	507,104
Operations and Maintenance	108,501	122,532	236,727	233,375
Depreciation	60,797	57,532	120,549	114,500
Amortization of Regulatory Assets/(Liabilities), Net	11,422	(2,988)	24,225	6,891
Energy Efficiency Programs	32,153	35,498	68,744	73,589
Taxes Other Than Income Taxes	70,437	70,568	144,414	146,030
Total Operating Expenses	490,521	517,646	1,046,808	1,081,489
Operating Income	176,037	162,141	352,059	333,614
Interest Expense	35,299	35,978	70,264	72,477
Other Income, Net	3,804	6,275	6,561	7,211
Income Before Income Tax Expense	144,542	132,438	288,356	268,348
Income Tax Expense	53,249	49,563	106,855	98,427
Net Income	\$91,293	\$82,875	\$181,501	\$169,921

The accompanying notes are an integral part of these unaudited condensed financial statements.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income	\$91,293	\$82,875	\$181,501	\$169,921
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	91	111	202	222
Changes in Unrealized Gains on Marketable Securities	33	36	89	45
Other Comprehensive Income, Net of Tax	124	147	291	267
Comprehensive Income	\$91,417	\$83,022	\$181,792	\$170,188

The accompanying notes are an integral part of these unaudited condensed financial statements.

THE CONNECTICUT LIGHT AND POWER COMPANY
 CONDENSED STATEMENTS OF CASH FLOWS
 (Unaudited)

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2017	2016
Operating Activities:		
Net Income	\$ 181,501	\$ 169,921
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	120,549	114,500
Deferred Income Taxes	73,277	97,913
Pension, SERP, and PBOP Expense, Net of PBOP Contributions	3,071	3,325
Regulatory Over/(Under) Recoveries, Net	9,762	(40,386)
Amortization of Regulatory Assets, Net	24,225	6,891
Other	(27,623)	(4,477)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(22,333)	(26,729)
Taxes Receivable/Accrued, Net	41,733	145,852
Accounts Payable	(63,813)	(38,137)
Other Current Assets and Liabilities, Net	13,541	774
Net Cash Flows Provided by Operating Activities	353,890	429,447
Investing Activities:		
Investments in Property, Plant and Equipment	(419,891)	(288,630)
Proceeds from the Sale of Property, Plant and Equipment	—	9,047
Other Investing Activities	132	205
Net Cash Flows Used in Investing Activities	(419,759)	(279,378)
Financing Activities:		
Cash Dividends on Common Stock	(99,200)	(99,800)
Cash Dividends on Preferred Stock	(2,779)	(2,779)
Capital Contributions from Eversource Parent	—	145,700
Issuance of Long-Term Debt	300,000	—
Retirement of Long-Term Debt	(150,000)	—
Increase/(Decrease) in Notes Payable to Eversource Parent	21,000	(184,400)
Other Financing Activities	(3,894)	(398)
Net Cash Flows Provided by/(Used in) Financing Activities	65,127	(141,677)
Net (Decrease)/Increase in Cash	(742)	8,392
Cash - Beginning of Period	6,579	1,057
Cash - End of Period	\$ 5,837	\$ 9,449

The accompanying notes are an integral part of these unaudited condensed financial statements.

NSTAR ELECTRIC COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2017	As of December 31, 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$4,475	\$ 3,494
Receivables, Net	261,344	257,557
Accounts Receivable from Affiliated Companies	28,619	8,581
Unbilled Revenues	40,163	31,632
Taxes Receivable	3,532	39,738
Materials, Supplies and Inventory	35,067	62,288
Regulatory Assets	270,230	289,400
Prepayments and Other Current Assets	17,730	14,906
Total Current Assets	661,160	707,596
Property, Plant and Equipment, Net	6,188,535	6,051,835
Deferred Debits and Other Assets:		
Regulatory Assets	1,064,099	1,057,746
Prepaid PBOP	109,658	95,073
Other Long-Term Assets	71,657	60,572
Total Deferred Debits and Other Assets	1,245,414	1,213,391
Total Assets	\$8,095,109	\$ 7,972,822
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable	\$—	\$ 126,500
Long-Term Debt – Current Portion	400,000	400,000
Accounts Payable	151,056	232,599
Accounts Payable to Affiliated Companies	8,389	91,532
Obligations to Third Party Suppliers	67,254	55,863
Renewable Portfolio Standards Compliance Obligations	44,258	75,571
Regulatory Liabilities	48,350	63,653
Other Current Liabilities	48,736	71,122
Total Current Liabilities	768,043	1,116,840
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	1,898,526	1,836,292
Regulatory Liabilities	394,527	391,823
Accrued Pension and SERP	111,994	111,827
Other Long-Term Liabilities	130,023	123,194
Total Deferred Credits and Other Liabilities	2,535,070	2,463,136

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Capitalization:

Long-Term Debt	2,025,929	1,678,116
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Preferred Stock Not Subject to Mandatory Redemption	43,000	43,000
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Common Stockholder's Equity:

Common Stock	—	—
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Capital Surplus, Paid In	1,047,178	1,045,378
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Retained Earnings	1,675,529	1,625,984
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Accumulated Other Comprehensive Income	360	368
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Common Stockholder's Equity	2,723,067	2,671,730
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Total Capitalization	4,791,996	4,392,846
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Total Liabilities and Capitalization	\$8,095,109	\$ 7,972,822
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The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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NSTAR ELECTRIC COMPANY AND SUBSIDIARY
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Operating Revenues	\$584,069	\$591,301	\$1,187,848	\$1,205,517
Operating Expenses:				
Purchased Power and Transmission	197,291	219,189	430,384	473,525
Operations and Maintenance	85,281	88,954	173,632	183,650
Depreciation	56,181	52,571	111,397	104,457
Amortization of Regulatory Assets, Net	2,984	3,971	7,961	8,654
Energy Efficiency Programs	59,876	61,922	127,188	128,165
Taxes Other Than Income Taxes	34,648	34,194	62,041	66,750
Total Operating Expenses	436,261	460,801	912,603	965,201
Operating Income	147,808	130,500	275,245	240,316
Interest Expense	23,445	20,216	45,473	41,104
Other Income, Net	2,029	2,836	5,277	2,502
Income Before Income Tax Expense	126,392	113,120	235,049	201,714
Income Tax Expense	49,029	44,953	91,524	79,053
Net Income	\$77,363	\$68,167	\$143,525	\$122,661

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income	\$77,363	\$68,167	\$143,525	\$122,661
Other Comprehensive Loss, Net of Tax:				
Changes in Funded Status of SERP Benefit Plan	(4)	(11)	(8)	(21)
Other Comprehensive Loss, Net of Tax	(4)	(11)	(8)	(21)
Comprehensive Income	\$77,359	\$68,156	\$143,517	\$122,640

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NSTAR ELECTRIC COMPANY AND SUBSIDIARY
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2017	2016
Operating Activities:		
Net Income	\$143,525	\$122,661
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	111,397	104,457
Deferred Income Taxes	60,673	48,505
Pension, SERP and PBOP (Benefits)/Expense, Net	(4,944)	2,192
Pension and PBOP Contributions	(15,360)	(15,428)
Regulatory Overrecoveries, Net	8,257	26,277
Amortization of Regulatory Assets, Net	7,961	8,654
Other	(15,309)	(3,978)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(42,050)	(56,140)
Materials, Supplies and Inventory	27,221	35,194
Taxes Receivable/Accrued, Net	36,207	45,608
Accounts Payable	(133,614)	(88,774)
Other Current Assets and Liabilities, Net	(45,430)	(64,084)
Net Cash Flows Provided by Operating Activities	138,534	165,144
Investing Activities:		
Investments in Property, Plant and Equipment	(262,097)	(199,824)
Other Investing Activities	(3,617)	—
Net Cash Flows Used in Investing Activities	(265,714)	(199,824)
Financing Activities:		
Cash Dividends on Common Stock	(93,000)	(278,300)
Cash Dividends on Preferred Stock	(980)	(980)
Capital Contributions from Eversource Parent	1,800	—
(Decrease)/Increase in Notes Payable	(126,500)	266,500
Issuance of Long-Term Debt	350,000	250,000
Retirements of Long-Term Debt	—	(200,000)
Other Financing Activities	(3,159)	(2,495)
Net Cash Flows Provided by Financing Activities	128,161	34,725
Increase in Cash and Cash Equivalents	981	45
Cash and Cash Equivalents - Beginning of Period	3,494	3,346
Cash and Cash Equivalents - End of Period	\$4,475	\$3,391

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Thousands of Dollars)	As of June 30, 2017	As of December 31, 2016
ASSETS		
Current Assets:		
Cash	\$192	\$4,646
Receivables, Net	81,937	84,450
Accounts Receivable from Affiliated Companies	3,781	4,185
Unbilled Revenues	41,723	41,004
Taxes Receivable	27,122	6,177
Fuel, Materials, Supplies and Inventory	150,066	162,354
Regulatory Assets	132,424	117,240
Prepayments and Other Current Assets	20,514	22,731
Total Current Assets	457,759	442,787
Property, Plant and Equipment, Net	3,118,456	3,039,313
Deferred Debits and Other Assets:		
Regulatory Assets	249,612	245,525
Other Long-Term Assets	47,075	37,720
Total Deferred Debits and Other Assets	296,687	283,245
Total Assets	\$3,872,902	\$3,765,345
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$194,100	\$160,900
Long-Term Debt – Current Portion	180,000	70,000
Accounts Payable	78,218	85,716
Accounts Payable to Affiliated Companies	21,207	29,154
Regulatory Liabilities	13,696	12,659
Other Current Liabilities	46,415	43,253
Total Current Liabilities	533,636	401,682
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	821,799	785,385
Regulatory Liabilities	43,845	44,779
Accrued Pension, SERP and PBOP	101,143	94,652
Other Long-Term Liabilities	50,051	49,442
Total Deferred Credits and Other Liabilities	1,016,838	974,258
Capitalization:		
Long-Term Debt	892,333	1,002,048

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Common Stockholder's Equity:		
Common Stock	—	—
Capital Surplus, Paid In	843,134	843,134
Retained Earnings	591,288	549,286
Accumulated Other Comprehensive Loss	(4,327	) (5,063)
Common Stockholder's Equity	1,430,095	1,387,357
Total Capitalization	2,322,428	2,389,405
Total Liabilities and Capitalization	\$3,872,902	\$ 3,765,345

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2017	2016	2017	2016
Operating Revenues	\$230,383	\$218,517	\$483,541	\$460,807
Operating Expenses:				
Purchased Power, Fuel and Transmission	60,442	45,653	122,189	95,867
Operations and Maintenance	65,134	63,788	127,484	123,001
Depreciation	32,447	28,644	63,182	56,879
Amortization of Regulatory (Liabilities)/Assets, Net	(18,937)	(8,186)	(13,492)	332
Energy Efficiency Programs	3,287	3,259	7,032	6,879
Taxes Other Than Income Taxes	23,118	22,287	44,001	44,082
Total Operating Expenses	165,491	155,445	350,396	327,040
Operating Income	64,892	63,072	133,145	133,767
Interest Expense	12,970	12,526	25,780	24,987
Other Income, Net	456	282	1,654	432
Income Before Income Tax Expense	52,378	50,828	109,019	109,212
Income Tax Expense	20,787	19,573	43,116	41,899
Net Income	\$31,591	\$31,255	\$65,903	\$67,313

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

(Thousands of Dollars)	For the Three		For the Six	
	Months Ended		Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Net Income	\$31,591	\$31,255	\$65,903	\$67,313
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	290	291	581	581
Changes in Unrealized Gains on Marketable Securities	58	63	155	79
Other Comprehensive Income, Net of Tax	348	354	736	660
Comprehensive Income	\$31,939	\$31,609	\$66,639	\$67,973

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2017	2016
Operating Activities:		
Net Income	\$65,903	\$67,313
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	63,182	56,879
Deferred Income Taxes	37,670	45,976
Regulatory Underrecoveries, Net	(1,964)	(10,740)
Amortization of Regulatory (Liabilities)/Assets, Net	(13,492)	332
Other	(6,763)	(8,484)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(1,427)	(5,247)
Fuel, Materials, Supplies and Inventory	12,288	5,394
Taxes Receivable/Accrued, Net	(20,945)	33,840
Accounts Payable	2,236	20,417
Other Current Assets and Liabilities, Net	5,419	(1,422)
Net Cash Flows Provided by Operating Activities	142,107	204,258
Investing Activities:		
Investments in Property, Plant and Equipment	(155,737)	(138,713)
Other Investing Activities	26	172
Net Cash Flows Used in Investing Activities	(155,711)	(138,541)
Financing Activities:		
Cash Dividends on Common Stock	(23,900)	(38,800)
Capital Contributions from Eversource Parent	—	83,000
Increase/(Decrease) in Notes Payable to Eversource Parent	33,200	(110,400)
Other Financing Activities	(150)	(166)
Net Cash Flows Provided by/(Used in) Financing Activities	9,150	(66,366)
Net Decrease in Cash	(4,454)	(649)
Cash - Beginning of Period	4,646	1,733
Cash - End of Period	\$192	\$1,084

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
CONDENSED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2017	As of December 31, 2016
ASSETS		
Current Assets:		
Receivables, Net	\$54,178	\$ 54,940
Accounts Receivable from Affiliated Companies	11,393	14,425
Unbilled Revenues	17,335	15,329
Materials, Supplies and Inventory	5,784	8,618
Regulatory Assets	67,310	64,123
Prepayments and Other Current Assets	1,821	2,595
Total Current Assets	157,821	160,030
Property, Plant and Equipment, Net	1,719,824	1,678,262
Deferred Debits and Other Assets:		
Regulatory Assets	124,899	127,291
Other Long-Term Assets	33,780	29,062
Total Deferred Debits and Other Assets	158,679	156,353
Total Assets	\$2,036,324	\$ 1,994,645
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$68,700	\$ 51,000
Accounts Payable	32,258	56,036
Accounts Payable to Affiliated Companies	28,484	19,478
Obligations to Third Party Suppliers	9,458	10,508
Renewable Portfolio Standards Compliance Obligations	11,114	20,383
Regulatory Liabilities	11,062	14,888
Other Current Liabilities	12,574	14,984
Total Current Liabilities	173,650	187,277
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	523,028	490,793
Regulatory Liabilities	20,887	17,227
Accrued Pension, SERP and PBOP	19,798	20,390
Other Long-Term Liabilities	45,471	41,308
Total Deferred Credits and Other Liabilities	609,184	569,718
Capitalization:		
Long-Term Debt	566,293	566,536
Common Stockholder's Equity:		

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Common Stock	10,866	10,866	
Capital Surplus, Paid In	444,398	444,398	
Retained Earnings	234,051	218,212	
Accumulated Other Comprehensive Loss	(2,118) (2,362)
Common Stockholder's Equity	687,197	671,114	
Total Capitalization			