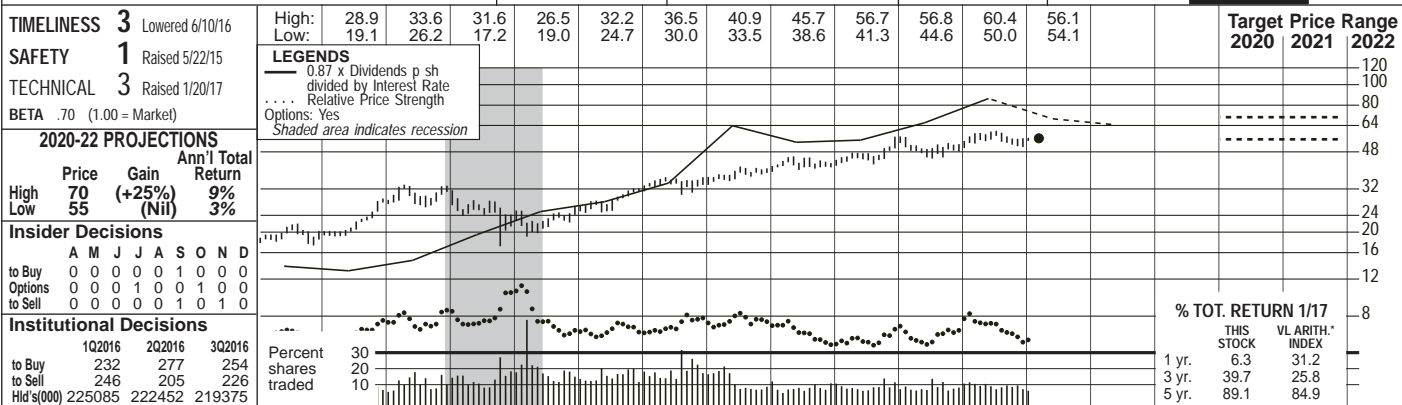


EVERSOURCE ENERGY NYSE-ES

RECENT PRICE **55.68** P/E RATIO **17.6** (Trailing: 19.8; Median: 17.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **3.4%** VALUE LINE



| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 52.82 | 40.89 | 47.53 | 51.82 | 41.85 | 44.64 | 37.27 | 37.22 | 30.97 | 27.76 | 25.21 | 19.98 | 23.16 | 24.42 | 25.08 | 23.80 | 23.80 | 24.45 | 24.45 | 24.45 | 24.45 | 24.45 |
| 10.48 | 6.32 | 5.80 | 5.00 | 5.46 | 3.69 | 4.82 | 6.16 | 4.96 | 5.68 | 4.88 | 4.03 | 5.22 | 4.56 | 4.94 | 5.00 | 5.40 | 5.80 | 5.80 | 5.80 | 5.80 | 5.80 |
| 1.37 | 1.08 | 1.24 | .91 | .98 | .82 | 1.59 | 1.86 | 1.91 | 2.10 | 2.22 | 1.89 | 2.49 | 2.58 | 2.76 | 2.95 | 3.15 | 3.35 | 3.35 | 3.35 | 3.35 | 3.35 |
| .45 | .53 | .58 | .63 | .68 | .73 | .78 | .83 | .95 | 1.03 | 1.10 | 1.32 | 1.47 | 1.57 | 1.67 | 1.78 | 1.90 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 3.40 | 3.86 | 4.31 | 4.85 | 5.89 | 5.49 | 7.14 | 8.06 | 5.17 | 5.41 | 6.08 | 4.69 | 4.62 | 5.06 | 5.44 | 7.00 | 8.40 | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 |
| 16.27 | 17.33 | 17.73 | 17.80 | 18.46 | 18.14 | 18.65 | 19.38 | 20.37 | 21.60 | 22.65 | 29.41 | 30.49 | 31.47 | 32.64 | 33.80 | 35.10 | 36.45 | 36.45 | 36.45 | 36.45 | 36.45 |
| 130.13 | 127.56 | 127.70 | 129.03 | 131.59 | 154.23 | 156.22 | 155.83 | 175.62 | 176.45 | 177.16 | 314.05 | 315.27 | 316.98 | 317.19 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 | 317.00 |
| 14.1 | 16.1 | 13.4 | 20.8 | 19.8 | 27.1 | 18.7 | 13.7 | 12.0 | 13.4 | 15.4 | 19.9 | 16.9 | 17.9 | 18.1 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 |
| .72 | .88 | .76 | 1.10 | 1.05 | 1.46 | .99 | .82 | .80 | .85 | .97 | 1.27 | .95 | .94 | .91 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 2.3% | 3.0% | 3.5% | 3.3% | 3.5% | 3.3% | 2.6% | 3.2% | 4.2% | 3.6% | 3.2% | 3.5% | 3.5% | 3.4% | 3.3% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% |

| CAPITAL STRUCTURE as of 9/30/16 | | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Debt \$10344 mill. Due in 5 Yrs \$4545.3 mill. | | 5822.2 | 5800.1 | 5439.4 | 4898.2 | 4465.7 | 6273.8 | 7301.2 | 7741.9 | 7954.8 | 7500 | 7500 | 7750 | 8550 | 8550 | 8550 | 8550 | 8550 | 8550 | 8550 | 8550 | 8550 | 8550 |
| LT Debt \$9235.1 mill. LT Interest \$385.2 mill. | | 251.5 | 296.2 | 335.6 | 377.8 | 400.3 | 533.0 | 793.7 | 827.1 | 886.0 | 940 | 1010 | 1075 | 1330 | 1330 | 1330 | 1330 | 1330 | 1330 | 1330 | 1330 | 1330 | 1330 |
| (LT interest earned: 4.6x) | | 30.3% | 29.7% | 34.9% | 36.6% | 29.9% | 34.0% | 35.0% | 36.2% | 37.9% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% |
| Leases, Uncapitalized Annual rentals \$16.4 mill. | | 13.9% | 15.8% | 4.6% | 7.1% | 8.6% | 2.3% | 1.4% | 2.4% | 2.9% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Pension Assets-12/15 \$3905.4 mill. | | 59.2% | 60.4% | 57.2% | 55.1% | 53.4% | 43.7% | 44.3% | 45.9% | 45.6% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% | 46.5% |
| Obliq \$5080.1 mill. | | 39.2% | 38.1% | 41.5% | 43.6% | 45.3% | 55.4% | 54.8% | 53.2% | 53.6% | 53.0% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% | 52.5% |
| Pfd Stock \$155.6 mill. Pfd Div'd \$7.6 mill. | | 7431.1 | 7926.2 | 8629.5 | 8741.8 | 8856.0 | 16675 | 17544 | 18738 | 19313 | 20250 | 21100 | 21950 | 24400 | 24400 | 24400 | 24400 | 24400 | 24400 | 24400 | 24400 | 24400 | 24400 |
| Incl. 2,324,000 shs \$1.90-\$3.28 rates (\$50 par) not subject to mandatory redemption, call. at \$50.50-\$54.00; 430,000 shs 4.25%-4.78% not subject to mandatory redemption, call. at \$102.80-\$103.63. | | 7229.9 | 8207.9 | 8840.0 | 9567.7 | 10403 | 16605 | 17576 | 18647 | 19892 | 21600 | 23700 | 25550 | 29200 | 29200 | 29200 | 29200 | 29200 | 29200 | 29200 | 29200 | 29200 | 29200 |
| Common Stock 316,885,808 shs. as of 10/31/16 | | 5.0% | 5.4% | 5.4% | 5.8% | 5.9% | 4.2% | 5.5% | 5.3% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% |
| MARKET CAP: \$18 billion (Large Cap) | | 8.3% | 9.4% | 9.1% | 9.6% | 9.7% | 5.7% | 8.1% | 8.2% | 8.4% | 8.5% | 9.0% | 9.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| | | 8.4% | 9.6% | 9.2% | 9.8% | 9.8% | 5.7% | 8.2% | 8.2% | 8.5% | 8.5% | 9.0% | 9.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| | | 4.3% | 5.3% | 4.7% | 5.0% | 5.0% | 1.6% | 3.4% | 3.5% | 3.4% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| | | 50% | 45% | 50% | 49% | 50% | 72% | 59% | 58% | 61% | 61% | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 60% |

BUSINESS: Eversource Energy (formerly Northeast Utilities) is the parent of utilities that have 3.1 million electric, 504,000 gas customers. Supplies power to most of Connecticut and gas to part of Connecticut; supplies power to three fourths of New Hampshire's population; supplies power to western Massachusetts and parts of eastern Massachusetts & gas to central & eastern Massachusetts. Acquired NSTAR 4/12. Electric revenue breakdown: residential, 52%; commercial, 36%; industrial, 5%; other, 7%. Fuel costs: 39% of revenues. '15 reported deprec. rate: 2.9%. Has 8,200 employees. Chairman: Thomas J. May. President & CEO: Jim Judge. Inc.: Massachusetts. Address: 300 Cadwell Drive, Springfield, MA 01104. Tel.: 413-785-5871. Internet: www.eversource.com.

Eversource's utilities in eastern and western Massachusetts are seeking electric rate increases. The utilities filed for a total raise of \$96 million, based on a 10.5% return on a 53.3% common-equity ratio. Eversource also wants to combine the two utilities into one entity. New rates will take effect at the start of 2018.

An electric rate case is upcoming in Connecticut. Eversource plans to put forth an application at the start of June, with new tariffs going into effect at the beginning of December.

We estimate solid earnings growth in 2017 and 2018. Eversource benefits from annual investments in electric transmission. Reductions in operating and maintenance expenses are another plus, as are customer conversions from oil heat to gas heat. Rate relief from the aforementioned rate cases should help next year. Our estimates would produce annual profit growth within management's targeted range of 5%-7%.

Eversource is trying to overcome opposition to two major proposed projects. The company has a 40% stake in a \$3 billion pipeline to provide a much-needed increase in the gas supply to New England. The Massachusetts Supreme Court ruled that state law prohibits utilities from billing electric customers for pipelines. The original in-service date in 2018 probably won't be met. Also, Eversource wants to build a \$1.6 billion transmission line between New Hampshire and Quebec. This project has been delayed, and the projected in-service date is now late 2019.

The board of directors raised the dividend. The increase in the quarterly payout was \$0.03 a share (6.7%). Eversource's goal for annual dividend growth is 5%-7%, the same as for earnings growth.

The Massachusetts utilities received permission to build solar capacity. They will construct 62 megawatts this year at an expected cost of \$180 million-\$200 million.

High-quality Eversource stock has a dividend yield that is about average for a utility. Total return potential to 2020-2022 is also close to the norm for this industry.

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year |
|-----------|-------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2014 | 2290 | 1677 | 1892 | 1881 | 7741.9 |
| 2015 | 2513 | 1817 | 1933 | 1691 | 7954.8 |
| 2016 | 2056 | 1767 | 2040 | 1687 | 7550 |
| 2017 | 2150 | 1800 | 1900 | 1700 | 7550 |
| 2018 | 2200 | 1850 | 1950 | 1750 | 7550 |

| Cal-endar | EARNINGS PER SHARE ^A | | | | Full Year |
|-----------|---------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2014 | .74 | .40 | .74 | .69 | 2.58 |
| 2015 | .80 | .65 | .74 | .57 | 2.76 |
| 2016 | .77 | .64 | .83 | .71 | 2.95 |
| 2017 | .90 | .70 | .85 | .70 | 3.15 |
| 2018 | .95 | .75 | .90 | .75 | 3.35 |

| Cal-endar | QUARTERLY DIVIDENDS PAID ^B | | | | Full Year |
|-----------|---------------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2013 | .367 | .367 | .367 | .367 | 1.47 |
| 2014 | .393 | .393 | .393 | .393 | 1.57 |
| 2015 | .417 | .417 | .418 | .418 | 1.67 |
| 2016 | .445 | .445 | .445 | .445 | 1.78 |
| 2017 | .475 | | | | |

(A) Dil. EPS. Excl. nonrec. gains (losses): '02, 10c; '03, (32c); '04, (7c); '05, (\$1.36); '08, (19c); '10, 9c. '13 & '14 EPS don't add due to rounding. Next earnings report due late Feb. (B) Div'ds historically paid late Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. def'd chgs. In '15: \$22.88/sh. (D) In mill. (E) Rate all'd on com. eq. in MA: (elec) '11, 9.6%; (gas) '16, 9.8%; in CT: (elec.) '15, 9.02%; (gas) '15, 9.5%; in NH: '10, 9.67%; earn. on avg. com. eq., '15: 8.7%. Regul. Clim.: CT, Below Avg.; NH, Avg.; MA, Above Avg.

Company's Financial Strength A
Stock's Price Stability 95
Price Growth Persistence 80
Earnings Predictability 85

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