

and water customers. Supplies power to most of Connecticut and gas to part of CT; supplies power to 3/4 of New Hampshire's population; supplies power to western Massachusetts and parts of eastern MA & gas to central & eastern MA; supplies water to CT, MA, &

47%. Fuel costs: 41% of revs. '22 reported depr. rate: 3.6% Employs 9,626. Chrmn.: James J. Judge. Pres. & CEO: Joseph R. Nolan, Jr. Inc.: MA. Addr.: 300 Cadwell Drive, Springfield, MA 01104. Telephone: 413-785-5871. Internet: www.eversource.com.

352 355 317 Fixed Charge Cov. (%) ANNUAL RATES Past Past Est'd '20-'22 of change (per sh) 10 Yrs. to '26-'28 4.0% 7.5% 5.5% Revenues 2.0% 6.0% 5.0% 6.5% 7.5% 5.5% 'Cash Flow" 5.5% 6.5% Earnings 6.0% 6.5% 4.5% Dividends Book Value

% Change Customers (vr-end)

NA

+.8

NA NA

NA

+.6

NA NA NA

Cal- endar	QUART Mar.31	ERLY REV Jun.30	ENUES (\$ Sep.30		Full Year
2020	2374	1953	2344	2234	8904
2021	2826	2123	2433	2482	9863
2022	3471	2573	3216	3030	12289
2023	3796	2629	3375	3200	13000
2024	3950	2850	3550	3400	13750
Cal-	EARNINGS PER SHAREA Full				
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2020	1.02	.76	1.01	.85	3.64
2021	1.15	.79	1.02	.91	3.86
2022	1.30	.86	1.01	.92	4.09
2023	1.41	1.00	1.04	.95	4.40
2024	1.45	1.00	1.15	1.05	4.65
Cal-	QUARTERLY DIVIDENDS PAID B = Ft				
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2019	.535	.535	.535	.535	2.14
2020	.5675	.5675	.5675	.5675	2.27
2021	.6025	.6025	.6025	.6025	2.41
2022	.6375	.6375	.6375	.6375	2.55
2023	.675	.675			

Eversource Energy looks set for solid intermediate-term earnings gains. Higher natural gas delivery charges went into effect last November, with \$32 million to be phased in through October of this year, followed by further increases tied to inflation and upkeep on two-thirds of that figure. In Massachusetts, higher electric delivery charges went into effect at the start of this year, with \$64 million to be phased in through the end of this year, and additional increases based on inflation, maintenance, and transmission & distribution (T&D) project spending in place thereafter. Although the company's authorized return on equity (ROE) for its electric rate base was cut to 9.8% from 10% in Massachusetts this year, the nearly real-time formulaic pricing adjustments received ought to go a long ways towards reducing regulatory lag and delivering a reliable stream of revenue growth from that key service area.

The company concluded its strategic review and has decided to divest its risky offshore wind assets. Eversource has agreed to sell its stake in the undeveloped offshore leased areas to its joint-

venture partner for \$625 million. project under development will continue to receive funding as the company pursues a buyer. A \$331 million nonrecurring impairment charge was booked in the second quarter to account for a likely loss on the exit of the offshore wind power business. Eversource should still benefit nicely

from New England's "green" energy transition. Such initiatives should help drive the company's regulatory capital employed to expand at a 7%-8% per annum rate for years to come. Multiple renewable-energy projects are expected to grow the rate base, including solar, geothermal, and grid modernizations necessary to connect new sources of generation. Leadership has an in-house goal of 5%-7% long-term earnings growth off of last year's base, with the upper end of that range likely achievable.

Eversource shares should be appealing to utility investors. The completion of the strategic review alleviates some uncertainties. The full exit from the offshore wind business will likely take further pressure off the share price.

Anthony J. Glennon August 11, 2023

(A) Diluted EPS. Excl. nonrecur. gain/(losses): '08, (19¢); '10, 9¢; '19, (64¢); '20, (9¢); '21, (32¢); '22, (4¢). 1Q-2Q '23, (96¢). Next egs. report due early Nov. Quarterly figures may not

sum to full year due to rounding. **(B)** Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd rein-yestment plan avail. **(C)** Incl. intangibles. In '22: 9.3%; in NH: '21, 9.3%; Regulatory Climate: \$25.16/sh. (D) In mill. (E) Rate allowed on CT, Below Avg.; NH, Avg.; MA, Above Avg.

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability**

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