

EVERSOURCE ENERGY  
Form 10-Q  
November 03, 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 September 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 October 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.

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GLOSSARY OF TERMS

The following is a glossary of abbreviations and 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
Northern Pass	The HVDC and associated alternating-current transmission line project from Canada into New Hampshire
Eversource Service	Eversource Energy Service Company
Bay State Wind	A project being developed jointly by Eversource and Denmark-based Ørsted (formerly known as DONG Energy) to construct an offshore wind farm off the coast of Massachusetts
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, NPT, and the generation activities of PSNH and WMECO
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
AFUDC	Allowance For Funds Used During Construction
AOCL	Accumulated Other Comprehensive Loss
Aquarion	Aquarion Water Company
ARO	Asset Retirement Obligation
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 <sub>2</sub>	Carbon dioxide
CPSL	Capital Projects Scheduling List
CTA	Competitive Transition Assessment
CWIP	Construction Work in Progress
EDC	Electric distribution company
EPS	Earnings Per Share

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ERISA	Employee Retirement Income Security Act of 1974
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
NEEW	New England East-West Solution
NETOs	New England Transmission Owners (including Eversource, National Grid and Avangrid)
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 <sub>2</sub>	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 September 30, 2017	As of December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 125,761	\$ 30,251
Receivables, Net	919,959	847,301
Unbilled Revenues	146,634	168,490
Fuel, Materials, Supplies and Inventory	305,035	328,721
Regulatory Assets	746,142	887,625
Prepayments and Other Current Assets	159,939	215,284
Total Current Assets	2,403,470	2,477,672
Property, Plant and Equipment, Net	22,537,304	21,350,510
Deferred Debits and Other Assets:		
Regulatory Assets	3,505,901	3,638,688
Goodwill	3,519,401	3,519,401
Marketable Securities	570,255	544,642
Other Long-Term Assets	627,289	522,260
Total Deferred Debits and Other Assets	8,222,846	8,224,991
Total Assets	\$ 33,163,620	\$ 32,053,173
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable	\$ 18,238	\$ 1,148,500
Long-Term Debt – Current Portion	957,697	773,883
Accounts Payable	794,195	884,521
Obligations to Third Party Suppliers	149,789	122,806
Regulatory Liabilities	170,215	146,787
Other Current Liabilities	530,297	562,108
Total Current Liabilities	2,620,431	3,638,605
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	6,001,589	5,607,207
Regulatory Liabilities	700,207	702,255
Derivative Liabilities	391,910	413,676
Accrued Pension and SERP	946,629	1,141,514
Other Long-Term Liabilities	881,056	853,260
Total Deferred Credits and Other Liabilities	8,921,391	8,717,912
Capitalization:		
Long-Term Debt	10,468,193	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	6,235,846	6,250,224
Retained Earnings	3,474,185	3,175,171
Accumulated Other Comprehensive Loss	(63,615	)(65,282 )
Treasury Stock	(317,771	)(317,771 )
Common Shareholders' Equity	10,998,037	10,711,734
Total Capitalization	21,621,798	19,696,656
Total Liabilities and Capitalization	\$ 33,163,620	\$ 32,053,173

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 INCOME  
 (Unaudited)

(Thousands of Dollars, Except Share Information)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	\$ 1,988,512	\$ 2,039,706	\$ 5,856,458	\$ 5,862,525
Operating Expenses:				
Purchased Power, Fuel and Transmission	651,776	665,810	1,955,129	2,001,929
Operations and Maintenance	300,421	324,734	933,400	965,584
Depreciation	194,466	181,288	571,152	531,781
Amortization of Regulatory Assets, Net	41,848	43,942	58,058	56,223
Energy Efficiency Programs	129,205	149,121	391,761	405,962
Taxes Other Than Income Taxes	168,193	164,942	479,648	479,219
Total Operating Expenses	1,485,909	1,529,837	4,389,148	4,440,698
Operating Income	502,603	509,869	1,467,310	1,421,827
Interest Expense	108,719	99,865	319,477	298,568
Other Income, Net	21,184	13,641	56,304	23,689
Income Before Income Tax Expense	415,068	423,645	1,204,137	1,146,948
Income Tax Expense	152,818	156,446	447,921	428,186
Net Income	262,250	267,199	756,216	718,762
Net Income Attributable to Noncontrolling Interests	1,880	1,880	5,639	5,639
Net Income Attributable to Common Shareholders	\$ 260,370	\$ 265,319	\$ 750,577	\$ 713,123
Basic and Diluted Earnings Per Common Share	\$ 0.82	\$ 0.83	\$ 2.36	\$ 2.24
Dividends Declared Per Common Share	\$ 0.48	\$ 0.45	\$ 1.43	\$ 1.34
Weighted Average Common Shares Outstanding:				
Basic	317,393,029	317,787,836	317,415,848	317,696,823
Diluted	317,949,396	318,577,079	318,007,042	318,511,609

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 September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	\$ 262,250	\$ 267,199	\$ 756,216	\$ 718,762
Other Comprehensive (Loss)/Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	519	534	1,567	1,602
Changes in Unrealized (Losses)/Gains on Marketable Securities	(1,872)	946	733	2,271
Changes in Funded Status of Pension, SERP and	673	(1,733)	(633)	(2,646)

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PBOP Benefit Plans				
Other Comprehensive (Loss)/Income, Net of Tax	(680 )	(253 )	1,667	1,227
Comprehensive Income Attributable to Noncontrolling Interests	(1,880 )	(1,880 )	(5,639 )	(5,639 )
Comprehensive Income Attributable to Common Shareholders	\$259,690	\$265,066	\$752,244	\$714,350

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 Nine Months Ended September 30,	
	2017	2016
<b>Operating Activities:</b>		
Net Income	\$756,216	\$718,762
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	571,152	531,781
Deferred Income Taxes	374,863	301,413
Pension, SERP and PBOP Expense, Net	16,891	31,627
Pension and PBOP Contributions	(197,900 )	(121,854 )
Regulatory Overrecoveries, Net	185,952	152,808
Amortization of Regulatory Assets, Net	58,058	56,223
Other	(148,741 )	(27,671 )
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(107,473 )	(191,454 )
Fuel, Materials, Supplies and Inventory	23,686	25,425
Taxes Receivable/Accrued, Net	88,856	347,898
Accounts Payable	(96,551 )	(121,513 )
Other Current Assets and Liabilities, Net	(32,874 )	(53,077 )
Net Cash Flows Provided by Operating Activities	1,492,135	1,650,368
<b>Investing Activities:</b>		
Investments in Property, Plant and Equipment	(1,642,280)	(1,359,171)
Proceeds from Sales of Marketable Securities	520,664	444,209
Purchases of Marketable Securities	(506,302 )	(437,197 )
Other Investing Activities	(10,177 )	(9,463 )
Net Cash Flows Used in Investing Activities	(1,638,095)	(1,361,622)
<b>Financing Activities:</b>		
Cash Dividends on Common Shares	(451,562 )	(423,471 )
Cash Dividends on Preferred Stock	(5,639 )	(5,639 )
Decrease in Notes Payable	(231,500 )	(426,453 )
Issuance of Long-Term Debt	1,250,000	800,000
Retirements of Long-Term Debt	(320,000 )	(200,000 )
Other Financing Activities	171	(17,074 )
Net Cash Flows Provided by/(Used in) Financing Activities	241,470	(272,637 )
Net Increase in Cash and Cash Equivalents	95,510	16,109
Cash and Cash Equivalents - Beginning of Period	30,251	23,947
Cash and Cash Equivalents - End of Period	\$125,761	\$40,056

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 September 30, 2017	As of December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 9,364	\$ 6,579
Receivables, Net	404,065	359,132
Accounts Receivable from Affiliated Companies	29,287	16,851
Unbilled Revenues	48,625	50,373
Materials, Supplies and Inventory	44,516	52,050
Regulatory Assets	274,982	335,526
Prepaid Property Taxes	55,375	19,678
Prepayments and Other Current Assets	13,832	32,992
Total Current Assets	880,046	873,181
Property, Plant and Equipment, Net	8,107,957	7,632,392
Deferred Debits and Other Assets:		
Regulatory Assets	1,312,191	1,391,564
Other Long-Term Assets	145,246	137,907
Total Deferred Debits and Other Assets	1,457,437	1,529,471
Total Assets	\$ 10,445,440	\$ 10,035,044
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ —	\$ 80,100
Long-Term Debt – Current Portion	300,000	250,000
Accounts Payable	292,234	289,532
Accounts Payable to Affiliated Companies	80,899	88,075
Obligations to Third Party Suppliers	52,865	55,520
Accrued Taxes	64,332	16,090
Regulatory Liabilities	69,296	47,055
Derivative Liabilities	59,895	77,765
Other Current Liabilities	99,467	104,309
Total Current Liabilities	1,018,988	1,008,446
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	2,089,480	1,987,661
Regulatory Liabilities	98,777	100,138
Derivative Liabilities	391,758	412,750
Accrued Pension, SERP and PBOP	297,492	300,208
Other Long-Term Liabilities	134,870	123,244
Total Deferred Credits and Other Liabilities	3,012,377	2,924,001



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Capitalization:		
Long-Term Debt	2,758,851	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	2,110,752	2,110,714
Retained Earnings	1,367,650	1,299,374
Accumulated Other Comprehensive Income/(Loss)	270	(53 )
Common Stockholder's Equity	3,539,024	3,470,387
Total Capitalization	6,414,075	6,102,597
Total Liabilities and Capitalization	\$ 10,445,440	\$ 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 September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	\$774,762	\$760,037	\$2,173,629	\$2,175,141
Operating Expenses:				
Purchased Power and Transmission	259,005	253,509	711,154	760,613
Operations and Maintenance	123,107	123,034	359,834	356,409
Depreciation	63,727	57,675	184,275	172,175
Amortization of Regulatory Assets, Net	34,574	23,418	58,799	30,308
Energy Efficiency Programs	37,739	44,381	106,483	117,969
Taxes Other Than Income Taxes	79,067	81,948	223,482	227,981
Total Operating Expenses	597,219	583,965	1,644,027	1,665,455
Operating Income	177,543	176,072	529,602	509,686
Interest Expense	36,313	36,083	106,577	108,561
Other Income, Net	7,509	3,669	14,070	10,881
Income Before Income Tax Expense	148,739	143,658	437,095	412,006
Income Tax Expense	52,595	57,026	159,450	155,453
Net Income	\$96,144	\$86,632	\$277,645	\$256,553

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 September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	\$96,144	\$86,632	\$277,645	\$256,553
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	96	111	298	333
Changes in Unrealized (Losses)/Gains on Marketable Securities	(64)	) 33	25	78
Other Comprehensive Income, Net of Tax	32	144	323	411
Comprehensive Income	\$96,176	\$86,776	\$277,968	\$256,964

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)

	For the Nine Months Ended September 30,	
(Thousands of Dollars)	2017	2016
Operating Activities:		
Net Income	\$277,645	\$256,553
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	184,275	172,175
Deferred Income Taxes	90,132	109,637
Pension, SERP, and PBOP Expense, Net of PBOP Contributions	4,546	4,825
Regulatory Overrecoveries, Net	71,413	33,492
Amortization of Regulatory Assets, Net	58,799	30,308
Other	(22,113 )	(14,873 )
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(70,936 )	(100,074 )
Taxes Receivable/Accrued, Net	69,335	197,422
Accounts Payable	(1,649 )	(30,168 )
Other Current Assets and Liabilities, Net	(38,111 )	(44,908 )
Net Cash Flows Provided by Operating Activities	623,336	614,389
Investing Activities:		
Investments in Property, Plant and Equipment	(621,882 )	(438,518 )
Proceeds from the Sale of Property, Plant and Equipment	—	9,047
Other Investing Activities	185	310
Net Cash Flows Used in Investing Activities	(621,697 )	(429,161 )
Financing Activities:		
Cash Dividends on Common Stock	(205,200 )	(149,700 )
Cash Dividends on Preferred Stock	(4,169 )	(4,169 )
Capital Contributions from Eversource Parent	—	145,700
Issuance of Long-Term Debt	525,000	—
Retirement of Long-Term Debt	(250,000 )	—
Decrease in Notes Payable to Eversource Parent	(80,100 )	(168,900 )
Premium on Issuance of Long-Term Debt	21,937	—
Other Financing Activities	(6,322 )	(609 )
Net Cash Flows Provided by/(Used in) Financing Activities	1,146	(177,678 )
Net Increase in Cash	2,785	7,550
Cash - Beginning of Period	6,579	1,057
Cash - End of Period	\$9,364	\$8,607

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 September 30, 2017	As of December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 89,915	\$ 3,494
Receivables, Net	322,193	257,557
Accounts Receivable from Affiliated Companies	13,632	8,581
Unbilled Revenues	39,160	31,632
Taxes Receivable	—	39,738
Materials, Supplies and Inventory	53,203	62,288
Regulatory Assets	230,620	289,400
Prepayments and Other Current Assets	16,550	14,906
Total Current Assets	765,273	707,596
Property, Plant and Equipment, Net	6,268,689	6,051,835
Deferred Debits and Other Assets:		
Regulatory Assets	1,049,324	1,057,746
Prepaid PBOP	115,367	95,073
Other Long-Term Assets	79,653	60,572
Total Deferred Debits and Other Assets	1,244,344	1,213,391
Total Assets	\$ 8,278,306	\$ 7,972,822
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable	\$ —	\$ 126,500
Long-Term Debt – Current Portion	43,814	400,000
Accounts Payable	198,251	232,599
Accounts Payable to Affiliated Companies	81,953	91,532
Obligations to Third Party Suppliers	86,346	55,863
Renewable Portfolio Standards Compliance Obligations	69,527	75,571
Accrued Taxes	32,021	3,922
Regulatory Liabilities	65,520	63,653
Other Current Liabilities	58,628	67,200
Total Current Liabilities	636,060	1,116,840
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	1,910,328	1,836,292
Regulatory Liabilities	392,851	391,823
Accrued Pension and SERP	39,830	111,827
Other Long-Term Liabilities	135,613	123,194
Total Deferred Credits and Other Liabilities	2,478,622	2,463,136

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Capitalization:		
Long-Term Debt	2,382,392	1,678,116
Preferred Stock Not Subject to Mandatory Redemption	43,000	43,000
Common Stockholder's Equity:		
Common Stock	—	—
Capital Surplus, Paid In	1,047,678	1,045,378
Retained Earnings	1,690,198	1,625,984
Accumulated Other Comprehensive Income	356	368
Common Stockholder's Equity	2,738,232	2,671,730
Total Capitalization	5,163,624	4,392,846
Total Liabilities and Capitalization	\$ 8,278,306	\$ 7,972,822

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

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

(Thousands of Dollars)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	\$725,701	\$780,462	\$1,913,548	\$1,985,979
Operating Expenses:				
Purchased Power and Transmission	259,400	291,382	689,784	764,907
Operations and Maintenance	92,571	96,282	266,203	279,932
Depreciation	56,200	54,695	167,598	159,151
Amortization of Regulatory Assets, Net	9,845	9,621	17,806	18,275
Energy Efficiency Programs	71,615	84,717	198,803	212,882
Taxes Other Than Income Taxes	37,052	35,050	99,090	101,800
Total Operating Expenses	526,683	571,747	1,439,284	1,536,947
Operating Income	199,018	208,715	474,264	449,032
Interest Expense	24,488	21,101	69,962	62,206
Other Income, Net	3,426	5,022	8,703	7,524
Income Before Income Tax Expense	177,956	192,636	413,005	394,350
Income Tax Expense	69,796	75,440	161,320	154,493
Net Income	\$108,160	\$117,196	\$251,685	\$239,857

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 September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	\$108,160	\$117,196	\$251,685	\$239,857
Other Comprehensive Loss, Net of Tax:				
Changes in Funded Status of SERP Benefit Plan	(4 )	(10 )	(12 )	(31 )
Other Comprehensive Loss, Net of Tax	(4 )	(10 )	(12 )	(31 )
Comprehensive Income	\$108,156	\$117,186	\$251,673	\$239,826

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 Nine Months Ended September 30,	
	2017	2016
Operating Activities:		
Net Income	\$251,685	\$239,857
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	167,598	159,151
Deferred Income Taxes	71,327	40,960
Pension, SERP and PBOP (Benefits)/Expense, Net	(7,305 )	1,370
Pension and PBOP Contributions	(83,040 )	(26,734 )
Regulatory Overrecoveries, Net	61,356	131,774
Amortization of Regulatory Assets, Net	17,806	18,275
Other	(23,120 )	(20,088 )
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(95,398 )	(103,444 )
Materials, Supplies and Inventory	9,086	30,659
Taxes Receivable/Accrued, Net	67,501	141,379
Accounts Payable	(38,486 )	(22,913 )
Other Current Assets and Liabilities, Net	13,961	(25,942 )
Net Cash Flows Provided by Operating Activities	412,971	564,304
Investing Activities:		
Investments in Property, Plant and Equipment	(358,041 )	(327,731 )
Other Investing Activities	(3,617 )	—
Net Cash Flows Used in Investing Activities	(361,658 )	(327,731 )
Financing Activities:		
Cash Dividends on Common Stock	(186,000 )	(278,300 )
Cash Dividends on Preferred Stock	(1,470 )	(1,470 )
Capital Contributions from Eversource Parent	2,300	25,000
Decrease in Notes Payable	(126,500 )	(26,500 )
Issuance of Long-Term Debt	350,000	250,000
Retirements of Long-Term Debt	—	(200,000 )
Other Financing Activities	(3,222 )	(2,495 )
Net Cash Flows Provided by/(Used in) Financing Activities	35,108	(233,765 )
Increase in Cash and Cash Equivalents	86,421	2,808
Cash and Cash Equivalents - Beginning of Period	3,494	3,346
Cash and Cash Equivalents - End of Period	\$89,915	\$6,154

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 September 30, 2017	As of December 31, 2016
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 597	\$ 4,646
Receivables, Net	93,299	84,450
Accounts Receivable from Affiliated Companies	24,331	4,185
Unbilled Revenues	37,133	41,004
Fuel, Materials, Supplies and Inventory	158,091	162,354
Regulatory Assets	112,465	117,240
Prepayments and Other Current Assets	3,797	28,908
Total Current Assets	429,713	442,787
Property, Plant and Equipment, Net	3,167,905	3,039,313
Deferred Debits and Other Assets:		
Regulatory Assets	244,561	245,525
Other Long-Term Assets	51,740	37,720
Total Deferred Debits and Other Assets	296,301	283,245
Total Assets	\$ 3,893,919	\$ 3,765,345
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 202,300	\$ 160,900
Long-Term Debt – Current Portion	110,000	70,000
Accounts Payable	92,201	85,716
Accounts Payable to Affiliated Companies	42,788	29,154
Regulatory Liabilities	7,923	12,659
Other Current Liabilities	61,210	43,253
Total Current Liabilities	516,422	401,682
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	827,412	785,385
Regulatory Liabilities	40,822	44,779
Accrued Pension, SERP and PBOP	98,553	94,652
Other Long-Term Liabilities	54,131	49,442
Total Deferred Credits and Other Liabilities	1,020,918	974,258
Capitalization:		
Long-Term Debt	892,581	1,002,048
Common Stockholder's Equity:		

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Common Stock	—	—
Capital Surplus, Paid In	843,134	843,134
Retained Earnings	625,012	549,286
Accumulated Other Comprehensive Loss	(4,148	) (5,063 )
Common Stockholder's Equity	1,463,998	1,387,357
Total Capitalization	2,356,579	2,389,405
Total Liabilities and Capitalization	\$ 3,893,919	\$ 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 Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	\$250,032	\$266,946	\$733,572	\$727,753
Operating Expenses:				
Purchased Power, Fuel and Transmission	57,099	59,833	179,289	155,700
Operations and Maintenance	63,669	64,183	191,153	187,184
Depreciation	32,084	29,646	95,266	86,524
Amortization of Regulatory Assets/(Liabilities), Net	2,835	14,158	(10,658 )	14,490
Energy Efficiency Programs	4,007	3,983	11,040	10,862
Taxes Other Than Income Taxes	22,936	20,460	66,935	64,543
Total Operating Expenses	182,630	192,263	533,025	519,303
Operating Income	67,402	74,683	200,547	208,450
Interest Expense	12,896	12,397	38,676	37,386
Other Income, Net	1,229	574	2,883	1,007
Income Before Income Tax Expense	55,735	62,860	164,754	172,071
Income Tax Expense	22,012	24,345	65,128	