

ATTACHMENT 5-6

**Eversource 2015 Financial
Report**



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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2015

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

For the transition period from _____ to _____

| <u>Commission File Number</u> | <u>Registrant; State of Incorporation; Address; and Telephone Number</u> | <u>I.R.S. Employer Identification No.</u> |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 1-5324 | EVERSOURCE ENERGY (a Massachusetts voluntary association) 300 Cadwell Drive Springfield, Massachusetts 01104 Telephone: (413) 785-5871 | 04-2147929 |
| 0-00404 | THE CONNECTICUT LIGHT AND POWER COMPANY (a Connecticut corporation) 107 Selden Street Berlin, Connecticut 06037-1616 Telephone: (860) 665-5000 | 06-0303850 |
| 1-02301 | NSTAR ELECTRIC COMPANY (a Massachusetts corporation) 800 Boylston Street Boston, Massachusetts 02199 Telephone: (617) 424-2000 | 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: (603) 669-4000 | 02-0181050 |
| 0-7624 | WESTERN MASSACHUSETTS ELECTRIC COMPANY (a Massachusetts corporation) 300 Cadwell Drive Springfield, Massachusetts 01104 Telephone: (413) 785-5871 | 04-1961130 |

Securities registered pursuant to Section 12(b) of the Act:

| <u>Registrant</u> | <u>Title of Each Class</u> | <u>Name of Each Exchange on Which Registered</u> |
|--------------------------|---------------------------------|------------------------------------------------------|
| Eversource Energy | Common Shares, \$5.00 par value | New York Stock Exchange, Inc. |

Securities registered pursuant to Section 12(g) of the Act:

| <u>Registrant</u> | <u>Title of Each Class</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|---------|--------|--------|---------|--------|--------|---------|--------|--------|---------|-------|--------|---------|--------|----------|---------|--------|----------|---------|-------|--------|---------|-------|--------|---------|-------|--------|---------|-------|--------|---------|--------|----------|---------|-------|--------|---------|
| The Connecticut Light and Power Company | Preferred Stock, par value \$50.00 per share, issuable in series, of which the following series are outstanding: <table><tr><td>\$1.90</td><td>Series</td><td>of 1947</td></tr><tr><td>\$2.00</td><td>Series</td><td>of 1947</td></tr><tr><td>\$2.04</td><td>Series</td><td>of 1949</td></tr><tr><td>\$2.20</td><td>Series</td><td>of 1949</td></tr><tr><td>3.90%</td><td>Series</td><td>of 1949</td></tr><tr><td>\$2.06</td><td>Series E</td><td>of 1954</td></tr><tr><td>\$2.09</td><td>Series F</td><td>of 1955</td></tr><tr><td>4.50%</td><td>Series</td><td>of 1956</td></tr><tr><td>4.96%</td><td>Series</td><td>of 1958</td></tr><tr><td>4.50%</td><td>Series</td><td>of 1963</td></tr><tr><td>5.28%</td><td>Series</td><td>of 1967</td></tr><tr><td>\$3.24</td><td>Series G</td><td>of 1968</td></tr><tr><td>6.56%</td><td>Series</td><td>of 1968</td></tr></table> | \$1.90 | Series | of 1947 | \$2.00 | Series | of 1947 | \$2.04 | Series | of 1949 | \$2.20 | Series | of 1949 | 3.90% | Series | of 1949 | \$2.06 | Series E | of 1954 | \$2.09 | Series F | of 1955 | 4.50% | Series | of 1956 | 4.96% | Series | of 1958 | 4.50% | Series | of 1963 | 5.28% | Series | of 1967 | \$3.24 | Series G | of 1968 | 6.56% | Series | of 1968 |
| \$1.90 | Series | of 1947 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$2.00 | Series | of 1947 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$2.04 | Series | of 1949 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$2.20 | Series | of 1949 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.90% | Series | of 1949 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$2.06 | Series E | of 1954 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$2.09 | Series F | of 1955 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.50% | Series | of 1956 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.96% | Series | of 1958 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.50% | Series | of 1963 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5.28% | Series | of 1967 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$3.24 | Series G | of 1968 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.56% | Series | of 1968 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

NSTAR Electric Company Preferred Stock, par value \$100.00 per share, issuable in series, of which the following series are outstanding:

| | |
|-------|--------|
| 4.25% | Series |
| 4.78% | Series |

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

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

| | |
|-------------------------------------|--------------------------|
| <u>Yes</u> | <u>No</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

| | |
|--------------------------|-------------------------------------|
| <u>Yes</u> | <u>No</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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.

| | |
|-------------------------------------|--------------------------|
| <u>Yes</u> | <u>No</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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 registrant was required to submit and post such files).

| | |
|-------------------------------------|--------------------------|
| <u>Yes</u> | <u>No</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

| | Large Accelerated Filer | Accelerated Filer | Non-accelerated Filer |
|-----------------------------------------|-------------------------------------|------------------------------|-------------------------------------|
| Eversource Energy | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The Connecticut Light and Power Company | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| NSTAR Electric Company | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Public Service Company of New Hampshire | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Western Massachusetts Electric Company | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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

| | <u>Yes</u> | <u>No</u> |
|-----------------------------------------|--------------------------|-------------------------------------|
| Eversource Energy | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| The Connecticut Light and Power Company | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| NSTAR Electric Company | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Public Service Company of New Hampshire | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Western Massachusetts Electric Company | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The aggregate market value of Eversource Energy's Common Shares, \$5.00 par value, held by non-affiliates, computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of Eversource Energy's most recently completed second fiscal quarter (June 30, 2015) was \$14,345,789,335 based on a closing market price of \$45.41 per share for the 315,916,964 common shares outstanding on June 30, 2015.

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

| <u>Company - Class of Stock</u> | <u>Outstanding as of January 31, 2016</u> |
|----------------------------------------------------------------------------|--------------------------------------------------|
| Eversource Energy Common shares, \$5.00 par value | 317,191,249 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.

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-K. 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 (effective January 1, 2014 includes the operations of NSTAR Electric & Gas) |
| NSTAR Electric & Gas | NSTAR Electric & Gas Corporation, a former Eversource Energy service company (effective January 1, 2014 merged into 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:

| | |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AFUDC | Allowance For Funds Used During Construction |
| AOCI | Accumulated Other Comprehensive Income/(Loss) |
| ARO | Asset Retirement Obligation |
| 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 |
| EPS | Earnings Per Share |
| ERISA | Employee Retirement Income Security Act of 1974 |
| ES 2014 Form 10-K | The Eversource Energy and Subsidiaries 2014 combined Annual Report on Form 10-K as filed with the SEC |
| ESOP | Employee Stock Ownership Plan |
| ESPP | Employee Share Purchase Plan |
| 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 |
| 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 |
| Northern Pass | The high voltage direct current transmission line project from Canada into New Hampshire |
| NO _x | Nitrogen oxides |
| 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 |
| 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**

**2015 FORM 10-K ANNUAL REPORT
TABLE OF CONTENTS**

| | <u>Page</u> |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------|
| PART I | |
| Item 1. Business | 2 |
| Item 1A. Risk Factors | 16 |
| Item 1B. Unresolved Staff Comments | 19 |
| Item 2. Properties | 19 |
| Item 3. Legal Proceedings | 21 |
| Item 4. Mine Safety Disclosures | 22 |
| PART II | |
| Item 5. Market for the Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities | 24 |
| Item 6. Selected Consolidated Financial Data | 26 |
| Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations | 28 |
| Item 7A. Quantitative and Qualitative Disclosures about Market Risk | 60 |
| Item 8. Financial Statements and Supplementary Data | 61 |
| Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure | 136 |
| Item 9A. Controls and Procedures | 136 |
| Item 9B. Other Information | 136 |
| PART III | |
| Item 10. Directors, Executive Officers and Corporate Governance | 137 |
| Item 11. Executive Compensation | 140 |
| Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters | 165 |
| Item 13. Certain Relationships and Related Transactions, and Director Independence | 166 |
| Item 14. Principal Accountant Fees and Services | 167 |
| PART IV | |
| Item 15. Exhibits and Financial Statement Schedules | 169 |
| Signatures | 170 |

**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**

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES
LITIGATION REFORM ACT OF 1995**

References in this Annual Report on Form 10-K to "Eversource," "the Company," "we," "our," and "us" refer to Eversource and its consolidated subsidiaries. On April 30, 2015, the Company's legal name was changed from Northeast Utilities to Eversource Energy. CL&P, NSTAR Electric, PSNH and WMECO are each doing business as Eversource Energy.

From time to time we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, assumptions of future events, future financial performance or growth and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You can generally identify our forward-looking statements through the use of words or phrases such as "estimate," "expect," "anticipate," "intend," "plan," "project," "believe," "forecast," "should," "could," and other similar expressions. Forward-looking statements are based on the current expectations, estimates, assumptions or projections of management and are not guarantees of future performance. These expectations, estimates, assumptions or projections may vary materially from actual results. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause our actual results to differ materially from those contained in our forward-looking statements, including, but not limited to:

- cyber breaches, acts of war or terrorism, or grid disturbances,
- actions or inaction of local, state and federal regulatory, public policy and taxing bodies,
- changes in business conditions, which could include disruptive technology related to our current or future business model,
- changes in economic conditions, including impact on interest rates, tax policies, and customer demand and payment ability,
- fluctuations in weather patterns,
- changes in laws, regulations or regulatory policy,
- changes in levels or timing of capital expenditures,
- disruptions in the capital markets or other events that make our access to necessary capital more difficult or costly,
- developments in legal or public policy doctrines,
- technological developments,
- changes in accounting standards and financial reporting regulations,
- actions of rating agencies, and
- other presently unknown or unforeseen factors.

Other risk factors are detailed in our reports filed with the SEC and updated as necessary, and we encourage you to consult such disclosures.

All such factors are difficult to predict, contain uncertainties that may materially affect our actual results and are beyond our control. You should not place undue reliance on the forward-looking statements, each speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. For more information, see Item 1A, *Risk Factors*, included in this combined Annual Report on Form 10-K. This Annual Report on Form 10-K also describes material contingencies and critical accounting policies in the accompanying *Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Combined Notes to Consolidated Financial Statements*. We encourage you to review these items.

**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**

PART I

Item 1. Business

Please refer to the Glossary of Terms for definitions of defined terms and abbreviations used in this combined Annual Report on Form 10-K.

Eversource Energy, headquartered in Boston, Massachusetts and Hartford, Connecticut, is a public utility holding company subject to regulation by the FERC under the Public Utility Holding Company Act of 2005. We are engaged primarily in the energy delivery business through the following wholly owned utility subsidiaries:

- The Connecticut Light and Power Company (CL&P), a regulated electric utility that serves residential, commercial and industrial customers in parts of Connecticut;
- NSTAR Electric Company (NSTAR Electric), a regulated electric utility that serves residential, commercial and industrial customers in parts of eastern Massachusetts;
- Public Service Company of New Hampshire (PSNH), a regulated electric utility that serves residential, commercial and industrial customers in parts of New Hampshire and owns generation assets used to serve customers;
- Western Massachusetts Electric Company (WMECO), a regulated electric utility that serves residential, commercial and industrial customers in parts of western Massachusetts and owns solar generating assets;
- NSTAR Gas Company (NSTAR Gas), a regulated natural gas utility that serves residential, commercial and industrial customers in parts of Massachusetts; and
- Yankee Gas Services Company (Yankee Gas), a regulated natural gas utility that serves residential, commercial and industrial customers in parts of Connecticut.

CL&P, NSTAR Electric, PSNH and WMECO also serve New England customers through Eversource Energy's electric transmission business.

On April 30, 2015, the Company's legal name was changed from Northeast Utilities to Eversource Energy. CL&P, NSTAR Electric, PSNH and WMECO are each doing business as Eversource Energy.

Eversource Energy, CL&P, NSTAR Electric, PSNH and WMECO each report their financial results separately. We also include information in this report on a segment basis for Eversource Energy. Eversource Energy recognizes three reportable segments: electric distribution, electric transmission and natural gas distribution. Eversource Energy's electric distribution segment includes the generation businesses of PSNH and WMECO. These three segments represented substantially all of Eversource Energy's total consolidated revenues for the years ended December 31, 2015 and 2014. CL&P, NSTAR Electric, PSNH and WMECO do not report separate business segments.

ELECTRIC DISTRIBUTION SEGMENT

General

Eversource Energy's electric distribution segment consists of the distribution businesses of CL&P, NSTAR Electric, PSNH and WMECO, which are engaged in the distribution of electricity to retail customers in Connecticut, eastern Massachusetts, New Hampshire and western Massachusetts, respectively, plus the regulated electric generation businesses of PSNH and WMECO.

The following table shows the sources of 2015 electric franchise retail revenues for Eversource Energy's electric distribution companies, collectively, based on categories of customers:

| <i>(Thousands of Dollars, except percentages)</i> | 2015 | % of Total |
|---------------------------------------------------|--------------|-------------------|
| Residential | \$ 3,608,155 | 55 |
| Commercial | 2,476,686 | 38 |
| Industrial | 326,564 | 5 |
| Other | 151,195 | 2 |
| Total Retail Electric Revenues | \$ 6,562,600 | 100% |

A summary of our distribution companies' retail electric GWh sales volumes and percentage changes for 2015, as compared to 2014, is as follows:

| | 2015 | 2014 | Percentage Change |
|-------------|--------|--------|-------------------|
| Residential | 21,441 | 21,317 | 0.6 % |
| Commercial | 27,598 | 27,449 | 0.5 % |
| Industrial | 5,577 | 5,676 | (1.7)% |
| Total | 54,616 | 54,442 | 0.3 % |

Our 2015 consolidated retail electric sales volumes were slightly higher, as compared to 2014, due primarily to the impact of colder winter weather experienced in the first quarter of 2015 and warmer weather in the third quarter of 2015, partially offset by milder winter weather in the fourth quarter of 2015 throughout our service territories as well as an increase in customer conservation efforts, including the impact of energy efficiency programs sponsored by CL&P, NSTAR Electric, PSNH and WMECO.

Fluctuations in retail electric sales volumes at NSTAR Electric and PSNH impact earnings. For CL&P (effective December 1, 2014) and WMECO, fluctuations in retail electric sales volumes do not impact earnings due to their respective regulatory commission approved revenue decoupling mechanisms. These distribution revenues are decoupled from their customer sales volumes, which breaks the relationship between sales volumes and revenues recognized. CL&P and WMECO reconcile their annual base distribution rate recovery amounts to their respective pre-established levels of baseline distribution delivery service revenues. Any difference between the allowed level of distribution revenue and the actual amount incurred during a 12-month period is adjusted through rates in the following period.

ELECTRIC DISTRIBUTION – CONNECTICUT

THE CONNECTICUT LIGHT AND POWER COMPANY

CL&P's distribution business consists primarily of the purchase, delivery and sale of electricity to its residential, commercial and industrial customers.

As of December 31, 2015, CL&P furnished retail franchise electric service to approximately 1.2 million customers in 149 cities and towns in Connecticut, covering an area of 4,400 square miles. CL&P does not own any electric generation facilities.

The following table shows the sources of CL&P's 2015 electric franchise retail revenues based on categories of customers:

| | CL&P | |
|--------------------------------------------|--------------|------------|
| (Thousands of Dollars, except percentages) | 2015 | % of Total |
| Residential | \$ 1,641,165 | 61 |
| Commercial | 841,093 | 31 |
| Industrial | 129,544 | 5 |
| Other | 62,704 | 3 |
| Total Retail Electric Revenues | \$ 2,674,506 | 100% |

A summary of CL&P's retail electric GWh sales volumes and percentage changes for 2015, as compared to 2014, is as follows:

| | 2015 | 2014 | Percentage Change |
|-------------|--------|--------|-------------------|
| Residential | 10,094 | 10,026 | 0.7 % |
| Commercial | 9,635 | 9,643 | (0.1)% |
| Industrial | 2,342 | 2,377 | (1.5)% |
| Total | 22,071 | 22,046 | 0.1 % |

Rates

CL&P is subject to regulation by the PURA, which, among other things, has jurisdiction over rates, certain dispositions of property and plant, mergers and consolidations, issuances of long-term securities, standards of service and construction and operation of facilities. CL&P's present general rate structure consists of various rate and service classifications covering residential, commercial and industrial services. CL&P's retail rates include a delivery service component, which includes distribution, transmission, conservation, renewables, CTA, SBC and other charges that are assessed on all customers. Connecticut utilities are entitled under state law to charge rates that are sufficient to allow them an opportunity to recover their reasonable operating and capital costs, in order to attract needed capital and maintain their financial integrity, while also protecting relevant public interests.

Under Connecticut law, all of CL&P's customers are entitled to choose their energy suppliers, while CL&P remains their electric distribution company.

For those customers who do not choose a competitive energy supplier, under SS rates for customers with less than 500 kilowatts of demand, and LRS rates for customers with 500 kilowatts or more of demand, CL&P purchases power under standard offer contracts and passes the cost of the power to customers through a combined GSC and FMCC charge on customers' bills.

CL&P continues to supply approximately 40 percent of its customer load at SS or LRS rates while the other 60 percent of its customer load has migrated to competitive energy suppliers. Because this customer migration is only for energy supply service, it has no impact on CL&P's electric distribution business or its operating income.

The rates established by the PURA for CL&P are comprised of the following:

- An electric generation services charge (GSC), which recovers energy-related costs incurred as a result of providing electric generation service supply to all customers that have not migrated to competitive energy suppliers. The GSC is adjusted periodically and reconciled semi-annually in accordance with the policies and procedures of the PURA, with any differences refunded to, or recovered from, customers.
- A revenue decoupling adjustment (effective December 1, 2014) that reconciles the amounts recovered from customers, on an annual basis, to the distribution revenue requirement approved by the PURA in its last rate case, which currently is an annual amount of \$1.059 billion.
- A distribution charge, which includes a fixed customer charge and a demand and/or energy charge to collect the costs of building and expanding the infrastructure to deliver power to customers, as well as ongoing operating costs to maintain the infrastructure.
- A federally-mandated congestion charge (FMCC), which recovers any costs imposed by the FERC as part of the New England Standard Market Design, including locational marginal pricing, locational installed capacity payments, and any costs approved by the PURA to reduce these charges. The FMCC also recovers costs associated with CL&P's system resiliency program. The FMCC is adjusted periodically and reconciled semi-annually in accordance with the policies and procedures of the PURA, with any differences refunded to, or recovered from, customers.
- A transmission charge that recovers the cost of transporting electricity over high voltage lines from generating plants to substations, including costs allocated by ISO-NE to maintain the wholesale electric market.
- A competitive transition assessment charge (CTA), assessed to recover stranded costs associated with electric industry restructuring such as various IPP contracts. The CTA is reconciled annually to actual costs incurred and reviewed by the PURA, with any difference refunded to, or recovered from, customers.
- A systems benefits charge (SBC), established to fund expenses associated with: various hardship and low income programs; a program to compensate municipalities for losses in property tax revenue due to decreases in the value of electric generating facilities resulting directly from electric industry restructuring. The SBC is reconciled annually to actual costs incurred and reviewed by the PURA, with any difference refunded to, or recovered from, customers.
- A Clean Energy Fund charge, which is used to promote investment in renewable energy sources. Amounts collected by this charge are deposited into the Clean Energy Fund and administered by the Clean Energy Finance and Investment Authority. The Clean Energy Fund charge is set by statute and is currently 0.1 cent per kWh.
- A conservation charge, comprised of a statutory rate established to implement cost-effective energy conservation programs and market transformation initiatives, plus a conservation adjustment mechanism charge to recover the residual energy efficiency spending associated with the expanded energy efficiency costs directed by the Comprehensive Energy Strategy Plan for Connecticut.

As required by regulation, CL&P, jointly with UI, entered into the following contracts whereby UI will share 20 percent and CL&P will share 80 percent of the costs and benefits (CL&P's portion of these costs are either recovered from, or refunded to, customers through the FMCC charge):

- Four CfDs (totaling approximately 787 MW of capacity) with three electric generation units and one demand response project, which extend through 2026 and have terms of up to 15 years beginning in 2009. The capacity CfDs obligate both CL&P and UI to make or receive payments on a monthly basis to or from the project and generation owners based on the difference between a contractually set capacity price and the capacity market prices that the project and generation owners receive in the ISO-NE capacity markets.
- Three CfDs (totaling approximately 500 MW of peaking capacity) with three peaking generation units. The three peaker CfDs pay the generation owners the difference between capacity, forward reserve and energy market revenues and a cost-of service payment stream for 30 years beginning in 2008 (including costs of plant operation and the prices that the generation owners receive for capacity and other products in the ISO-NE markets).
- Long-term commitments to purchase approximately 250 MW of wind power from a Maine wind farm and 20 MW of solar power from a multi-site project in Connecticut. Both of these projects are expected to be operational by the end of 2016.

On December 17, 2014 the PURA approved CL&P's application to amend customer rates, effective December 1, 2014, for a total base distribution rate increase of \$152 million, which includes an authorized ROE of 9.02 percent for the first twelve month period and 9.17 percent thereafter. The distribution rate increase included a revenue decoupling mechanism effective December 1, 2014, and the recovery of 2011 and 2012 storm restoration costs and system resiliency costs. Also in December 2014, the PURA granted a re-opener request to CL&P's base distribution rate application for further review of the appropriate balance of ADIT utilized in the calculation of rate base. On July 2, 2015, the PURA issued a final order that approved a settlement agreement filed on May 19, 2015 between CL&P and the PURA Prosecutorial Staff, and which included an increase to total allowed annual revenue requirements of \$18.4 million beginning December 1, 2014.

Sources and Availability of Electric Power Supply

As noted above, CL&P does not own any generation assets and purchases energy supply to serve its SS and LRS loads from a variety of competitive sources through requests for proposals. CL&P periodically enters into full requirements contracts for the majority of SS loads for periods of up to one year for its residential customers and small and medium commercial and industrial customers. CL&P is authorized to supply the remainder of the SS loads through a self-managed process that includes bilateral purchases and spot market purchases. CL&P typically enters into full requirements contracts for LRS for larger commercial and industrial customers every three months. Currently, CL&P has full requirements contracts in place for 80 percent of its SS loads for the first half of 2016 and has bilateral purchases in place to self-manage the remaining 20 percent. For the second half of 2016, CL&P has 50 percent of its SS load under full requirements contracts, intends to purchase an additional 30 percent of full requirements and will self-manage the remainder as needed. None of the SS load for 2017 has been procured. CL&P has full requirements contracts in place for its LRS loads through the second quarter of 2016 and intends to purchase 100 percent of full requirements for the third and fourth quarters of 2016.

ELECTRIC DISTRIBUTION – MASSACHUSETTS

NSTAR ELECTRIC COMPANY WESTERN MASSACHUSETTS ELECTRIC COMPANY

The electric distribution businesses of NSTAR Electric and WMECO consist primarily of the purchase, delivery and sale of electricity to residential, commercial and industrial customers within their respective franchise service territories. As of December 31, 2015, NSTAR Electric furnished retail franchise electric service to approximately 1.2 million customers in Boston and 80 surrounding cities and towns in Massachusetts, including Cape Cod and Martha's Vineyard, covering an area of approximately 1,700 square miles. WMECO provides retail franchise electric service to approximately 209,000 customers in 59 cities and towns in the western region of Massachusetts, covering an area of approximately 1,500 square miles. Neither NSTAR Electric nor WMECO owns any generating facilities used to supply customers, and each purchases its respective energy requirements from competitive energy suppliers.

In 2009, WMECO was authorized by the DPU to install solar energy generation in its service territory. From 2010 through 2014, WMECO completed development of a total of 8 MW solar generation facilities on sites in Pittsfield, Springfield, and East Springfield, Massachusetts. WMECO will sell all energy and other products from its solar generation facilities into the ISO-NE market. NSTAR Electric does not own any solar generation facilities.

The following table shows the sources of the 2015 electric franchise retail revenues of NSTAR Electric and WMECO based on categories of customers:

| | NSTAR Electric | | WMECO | |
|---------------------------------------------------|----------------|------------|------------|------------|
| | 2015 | % of Total | 2015 | % of Total |
| <i>(Thousands of Dollars, except percentages)</i> | | | | |
| Residential | \$ 1,205,387 | 48 | \$ 255,797 | 59 |
| Commercial | 1,187,452 | 47 | 135,222 | 31 |
| Industrial | 84,667 | 3 | 35,439 | 8 |
| Other | 47,610 | 2 | 5,778 | 2 |
| Total Retail Electric Revenues | \$ 2,525,116 | 100% | \$ 432,236 | 100% |

A summary of NSTAR Electric's and WMECO's retail electric GWh sales volumes and percentage changes for 2015, as compared to 2014, is as follows:

| | NSTAR Electric | | | WMECO | | |
|-------------|----------------|--------|-------------------|-------|-------|-------------------|
| | 2015 | 2014 | Percentage Change | 2015 | 2014 | Percentage Change |
| Residential | 6,687 | 6,625 | 0.9 % | 1,465 | 1,494 | (2.0)% |
| Commercial | 13,120 | 13,009 | 0.9 % | 1,478 | 1,466 | 0.8 % |
| Industrial | 1,248 | 1,291 | (3.3)% | 620 | 626 | (0.9)% |
| Total | 21,055 | 20,925 | 0.6 % | 3,563 | 3,586 | (0.6)% |

Rates

NSTAR Electric and WMECO are each subject to regulation by the DPU, which, among other things, has jurisdiction over rates, certain dispositions of property and plant, mergers and consolidations, issuances of long-term securities, acquisition of securities, standards of service and construction and operation of facilities. The present general rate structure for both NSTAR Electric and WMECO consists of various rate and service classifications covering residential, commercial and industrial services. Massachusetts utilities are entitled under state law to charge rates that are sufficient to allow them an opportunity to recover their reasonable operating and capital costs, in order to attract needed capital and maintain their financial integrity, while also protecting relevant public interests.

Under Massachusetts law, all customers of each of NSTAR Electric and WMECO are entitled to choose their energy suppliers, while NSTAR Electric or WMECO remains their electric distribution company. Both NSTAR Electric and WMECO purchase power from competitive suppliers on behalf of, and pass the related cost through to, their respective customers who do not choose a competitive energy supplier (basic service). Most of the residential customers of NSTAR Electric and WMECO have continued to buy their power from NSTAR Electric or WMECO at basic service rates. Most commercial and industrial customers have switched to a competitive energy supplier.

The Cape Light Compact, an inter-governmental organization consisting of the 21 towns and two counties on Cape Cod and Martha's Vineyard, serves 200,000 customers through the delivery of energy efficiency programs, effective consumer advocacy, competitive electricity supply and green power options. NSTAR Electric continues to provide electric service to these customers including the delivery of power, maintenance of infrastructure, capital investment, meter reading, billing, and customer service.

NSTAR Electric continues to supply approximately 39 percent of its customer load at basic service rates while the other 61 percent of its customer load has migrated to competitive energy suppliers. WMECO continues to supply approximately 41 percent of its customer load at basic service rates while the other 59 percent of its customer load has migrated to competitive energy suppliers. Because customer migration is limited to energy supply service, it has no impact on the delivery business or operating income of NSTAR Electric and WMECO.

The rates established by the DPU for NSTAR Electric and WMECO are comprised of the following:

- A basic service charge that represents the collection of energy costs, including costs related to charge-offs of uncollectible energy costs from customers. Electric distribution companies in Massachusetts are required to obtain and resell power to retail customers through basic service for those who choose not to buy energy from a competitive energy supplier. Basic service rates are reset every six months (every three months for large commercial and industrial customers). Additionally, the DPU has authorized NSTAR Electric to recover the cost of its Dynamic Pricing Smart Grid Pilot Program and NSTAR Green wind contracts through the basic service charge. Basic service costs are reconciled annually, with any differences refunded to, or recovered from, customers.
- A distribution charge, which includes a fixed customer charge and a demand and/or energy charge to collect the costs of building and expanding the infrastructure to deliver power to its destination, as well as ongoing operating costs.
- For WMECO, a revenue decoupling adjustment that reconciles distribution revenue, on an annual basis, to the amount of distribution revenue approved by the DPU in its last rate case in 2011. Currently, WMECO is allowed to collect \$132.4 million annually.
- A transmission charge that recovers the cost of transporting electricity over high voltage lines from generating plants to substations, including costs allocated by ISO-NE to maintain the wholesale electric market.
- A transition charge that represents costs to be collected primarily from previously held investments in generating plants, costs related to existing above-market power contracts, and contract costs related to long-term power contract buy-outs.
- An energy efficiency charge that represents a legislatively-mandated charge to collect costs for energy efficiency programs.
- Reconciling adjustment charges that recover certain DPU-approved costs as follows: pension and PBOP benefits, low income customer discounts, lost revenue and credits associated with net-metering facilities installed by customers, storms, consultants retained by the attorney general, long-term renewable contracts and energy efficiency programs and lost base revenue associated with energy efficiency measures. In addition to these adjustments common to both NSTAR Electric and WMECO, NSTAR Electric has reconciling adjustment charges that collect costs associated with certain safety and reliability projects and a Smart Grid pilot program. WMECO has a reconciling adjustment charge that recovers costs associated with certain solar projects owned and operated by WMECO.

As required by regulation, NSTAR Electric and WMECO, along with two other Massachusetts electric utilities, signed long-term commitments to purchase a combined estimated generating capacity of approximately 334 MW of wind power from two wind farms in Maine over 15 years. The projects are in various stages of permitting, development, or operation. One unit began operating in late 2015, and the other unit is expected to be in operation by December 2016. In addition, WMECO previously signed a long-term commitment to purchase an estimated generating capacity of approximately 37.5 MW of wind power from a wind farm in Maine over 15 years that is expected to be in operation in 2016.

Pursuant to a 2008 DPU order, Massachusetts electric utilities must adopt rate structures that decouple the volume of energy sales from the utility's revenues in their next rate case. WMECO is currently decoupled and NSTAR Electric will propose decoupling in its next rate case.

NSTAR Electric and WMECO are each subject to service quality (SQ) metrics that measure safety, reliability and customer service, and could be required to pay to customers a SQ charge of up to 2.5 percent of annual transmission and distribution revenues for failing to meet such metrics. Neither NSTAR Electric nor WMECO will be required to pay a SQ charge for its 2015 performance as each company achieved results at or above target for all of its respective SQ metrics in 2015.

Sources and Availability of Electric Power Supply

As noted above, neither NSTAR Electric nor WMECO owns any generation assets (other than WMECO's solar generation), and both companies purchase their respective energy requirements from a variety of competitive sources through requests for proposals issued periodically, consistent with DPU regulations. NSTAR Electric and WMECO enter into supply contracts for basic service for 50 percent of their respective residential and small commercial and industrial customers twice per year for twelve month terms. Both NSTAR Electric and WMECO enter into supply contracts for basic service for 100 percent of large commercial and industrial customers every three months.

ELECTRIC DISTRIBUTION – NEW HAMPSHIRE

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PSNH's distribution business consists primarily of the generation, delivery and sale of electricity to its residential, commercial and industrial customers.

As of December 31, 2015, PSNH furnished retail franchise electric service to approximately 503,000 retail customers in 211 cities and towns in New Hampshire, covering an area of approximately 5,630 square miles. PSNH currently owns and operates approximately 1,200 MW of primarily coal-, natural gas-, and oil-fired electricity generation plants. PSNH's distribution business includes the activities of its generation business.

The Clean Air Project, a wet flue gas desulphurization system (Scrubber), was constructed and placed in service by PSNH at its Merrimack Station in 2011. The Scrubber reduces emissions of SO₂ and mercury from Merrimack Station by over 90 percent, which is well in excess of state and federal requirements. PSNH is permitted to recover prudent Scrubber costs through its default energy service rates under New Hampshire law. Effective January 1, 2016, PSNH is recovering all Scrubber costs in rates charged to customers. For further information, see "Regulatory Developments and Rate Matters – New Hampshire – Clean Air Project Prudence Proceeding" in the accompanying Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

The following table shows the sources of PSNH's 2015 electric franchise retail revenues based on categories of customers:

| (Thousands of Dollars, except percentages) | PSNH | |
|--------------------------------------------|------------|------------|
| | 2015 | % of Total |
| Residential | \$ 505,806 | 54 |
| Commercial | 312,918 | 34 |
| Industrial | 76,914 | 8 |
| Other | 35,103 | 4 |
| Total Retail Electric Revenues | \$ 930,741 | 100% |

A summary of PSNH's retail electric GWh sales volumes and percentage changes for 2015, as compared to 2014, is as follows:

| | 2015 | 2014 | Percentage Change |
|-------------|-------|-------|-------------------|
| Residential | 3,195 | 3,172 | 0.7 % |
| Commercial | 3,365 | 3,332 | 1.0 % |
| Industrial | 1,367 | 1,382 | (1.1)% |
| Total | 7,927 | 7,886 | 0.5 % |

Rates

PSNH is subject to regulation by the NHPUC, which, among other things, has jurisdiction over rates, certain dispositions of property and plant, mergers and consolidations, issuances of securities, standards of service and construction and operation of facilities. New Hampshire utilities are entitled under state law to charge rates that are sufficient to allow them an opportunity to recover their reasonable operating and capital costs, in order to attract needed capital and maintain their financial integrity, while also protecting relevant public interests.

Under New Hampshire law, all of PSNH's customers are entitled to choose competitive energy suppliers, with PSNH providing default energy service under its ES rate for those customers who do not choose a competitive energy supplier. At the end of 2015, approximately 21 percent of all of PSNH's customers (approximately 53 percent of load) were taking service from competitive energy suppliers, compared to 21 percent of customers (approximately 46 percent of load) at the end of 2014.

The rates established by the NHPUC for PSNH are comprised of the following:

- A default energy service charge which recovers energy-related costs incurred as a result of providing electric generation service supply to all customers that have not migrated to competitive energy suppliers. These charges recover the costs of PSNH's generation, as well as purchased power, and include an allowed ROE of 9.81 percent.
- A distribution charge, which includes an energy and/or demand-based charge to recover costs related to the maintenance and operation of PSNH's infrastructure to deliver power to its destination, as well as power restoration and service costs. This includes a customer charge to collect the cost of providing service to a customer; such as the installation, maintenance, reading and replacement of meters and maintaining accounts and records.
- A transmission charge that recovers the cost of transporting electricity over high voltage lines from generating plants to substations, including costs allocated by ISO-NE to maintain the wholesale electric market.
- A stranded cost recovery charge (SCRC), which allows PSNH to recover its stranded costs, including above-market expenses incurred under mandated power purchase obligations and other long-term investments and obligations.
- A system benefits charge (SBC), which funds energy efficiency programs for all customers as well as assistance programs for residential customers within certain income guidelines.

- An electricity consumption tax, which is a state mandated tax on electric energy consumption.

The energy charge and SCRC rates change semi-annually and are reconciled annually and differences between actual costs incurred versus current rates are either refunded or recovered in subsequent rates charged to customers.

PSNH distribution rates were set in a 2010 NHPUC rate case settlement, which expired on June 30, 2015. In the 2015 PSNH Settlement Agreement, the Company agreed that its present distribution rates will stay in effect until at least July 1, 2017. However, certain aspects of the 2010 rate case settlement will continue, including funding for reliability enhancement program activities, adjustment of distribution rates for certain exogenous events that in the aggregate exceed \$1 million, and major storm reserve funding.

Generation Divestiture

In 2013, the NHPUC opened a docket to investigate market conditions affecting PSNH's default energy service rate, how PSNH will maintain just and reasonable rates in light of those conditions, and any impact of PSNH's generation ownership on the New Hampshire competitive electric market. In April 2014, the NHPUC staff issued a "Preliminary Status Report Addressing the Economic Interest of PSNH's Retail Customers as it Relates to the Potential Divestiture of PSNH's Generating Plants," which included a consultant's analysis of the fair market value of PSNH generating assets and long-term power purchase contracts. The consultant's analysis estimated the fair market value of PSNH's generation assets to be \$225 million as of December 31, 2013 and compared that amount to a stated net book value of \$660 million, implying potential "stranded costs" of approximately \$435 million. An abbreviated draft update by the consultant dated August 17, 2015, increased the estimated fair market value of PSNH's generation assets to \$235 million.

In 2014, the Legislature enacted changes to the laws governing divestiture of PSNH's generation assets, effective September 30, 2014. The new law required the NHPUC to initiate a proceeding to determine whether all or some of PSNH's generation assets should be divested. The law gives the NHPUC express authority to order the divestiture of all or some of PSNH's generation assets if the NHPUC finds it is in the economic interest of customers to do so. The law also clarified the definition of "stranded costs" to include costs approved for recovery by the NHPUC in connection with the divestiture or retirement of PSNH's generation assets.

On June 10, 2015, Eversource and PSNH entered into the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (the Agreement) with the New Hampshire Office of Energy and Planning, certain members of the NHPUC staff, the Office of Consumer Advocate, two state senators, and several other parties. The Agreement was filed with the NHPUC on the same day. Under the terms of the Agreement, PSNH has agreed to divest its generation assets upon NHPUC approval. The Agreement is designed to provide a resolution of issues pertaining to PSNH's generation assets in pending regulatory proceedings before the NHPUC. The Agreement provided for the Clean Air Project prudence proceeding to be resolved and all remaining Clean Air Project costs to be included in rates effective January 1, 2016. As part of the Agreement, PSNH has agreed to forego recovery of \$25 million of the deferred equity return related to the Clean Air Project. In addition, PSNH will not seek a general distribution rate increase effective before July 1, 2017 and will contribute \$5 million to create a clean energy fund, which will not be recoverable from its customers.

In 2015, the Legislature enacted changes to law to allow the use of securitization financing to recover any stranded costs resulting from the divestiture of PSNH's generating assets. If the Agreement is approved, following divestiture of PSNH's generating assets, bonds will be issued to recover resulting stranded costs.

On January 26, 2016, Advisory Staff of the NHPUC and the parties to the Agreement filed a stipulation with the NHPUC agreeing that near-term divestiture of PSNH's generation was in the public interest and that the Agreement should be approved. Implementation of the Agreement is subject to NHPUC approval, which is expected in early 2016.

Sources and Availability of Electric Power Supply

During 2015, approximately 54 percent of PSNH's load was met through its own generation, long-term power supply provided pursuant to orders of the NHPUC, and contracts with competitive energy suppliers. The remaining 46 percent of PSNH's load was met by short-term (less than one year) purchases and spot purchases in the competitive New England wholesale power market. PSNH expects to meet its load requirements in 2016 in a similar manner. Included in the 54 percent above are PSNH's obligations to purchase power from approximately two dozen IPPs, the output of which it either uses to serve its customer load or sells into the ISO-NE market.

Merrimack and Schiller Stations have recently operated at lower than typical capacity factors due to moderate regional temperatures. The Hydro stations have been operating at high capacity factors. PSNH's Energy Service Rate has been set at 9.99 cents per kWh effective January 1, 2016, which includes 1.27 cents per kWh reflecting full recovery of costs related to the Clean Air Project.

ELECTRIC TRANSMISSION SEGMENT

General

Each of CL&P, NSTAR Electric, PSNH and WMECO owns and maintains transmission facilities that are part of an interstate power transmission grid over which electricity is transmitted throughout New England. Each of CL&P, NSTAR Electric, PSNH and WMECO, and most other New England utilities, are parties to a series of agreements that provide for coordinated planning and operation of the region's transmission facilities and the rules by which they acquire transmission services. Under these arrangements, ISO-NE, a non-profit corporation whose board of directors and staff are independent of all market participants, serves as the regional transmission organization of the New England transmission system.

Wholesale Transmission Revenues

A summary of Eversource Energy's wholesale transmission revenues is as follows:

| <i>(Thousands of Dollars)</i> | 2015 |
|---------------------------------------|--------------|
| CL&P | \$ 513,025 |
| NSTAR Electric | 299,241 |
| PSNH | 127,509 |
| WMECO | 129,502 |
| Total Wholesale Transmission Revenues | \$ 1,069,277 |

Wholesale Transmission Rates

Wholesale transmission revenues are recovered through FERC approved formula rates. Transmission revenues are collected from New England customers, the majority of which are distribution customers of CL&P, NSTAR Electric, PSNH and WMECO. The transmission rates provide for the annual reconciliation of estimated to actual costs. The financial impacts of differences between actual and estimated costs are deferred for future recovery from, or refunded to, transmission customers.

FERC Base ROE Complaints

Three separate complaints have been filed at the FERC by combinations of New England state attorneys general, state regulatory commissions, consumer advocates, consumer groups, municipal parties and other parties (the "Complainants"). In these three separate complaints, the Complainants challenged the NETOs' base ROE of 11.14 percent that had been utilized since 2006 and sought an order to reduce it prospectively from the date of the final FERC order and for the 15-month complaint refund periods stipulated in the separate complaints. In 2014, the FERC ordered a 10.57 percent base ROE for the first complaint refund period and prospectively from October 16, 2014 and that a utility's total or maximum ROE shall not exceed the top of the new zone of reasonableness, which was set at 11.74 percent. The NETOs and the Complainants sought rehearing from the FERC. In late 2014, the NETOs made a compliance filing and the Company began issuing refunds to customers from the first complaint period.

On March 3, 2015, FERC issued an order denying all issues raised on rehearing by the NETOs and Complainants in the first complaint. The FERC order upheld the base ROE of 10.57 percent for the first complaint refund period and prospectively from October 16, 2014, and upheld that the utility's total ROE (the base ROE plus any incentive adders) for the transmission assets to which the adder applies is capped at the top of the zone of reasonableness, which is currently set at 11.74 percent. The NETOs and Complainants have filed appeals to the D.C. Circuit Court of Appeals, which have been consolidated, and briefing is scheduled to be concluded in the second quarter of 2016. A court decision is expected in late 2016.

For the second and third complaint proceedings, hearings were held in late June and early July 2015 and briefs were filed in July and August 2015. The state parties, municipal utilities and FERC trial staff each believe that the base ROE should be reduced to an amount lower than 10.57 percent. The NETOs believe that the Complainants' positions are without merit, and the existing base ROE of 10.57 is just and reasonable and should be maintained.

On December 18, 2015, the FERC ALJ reopened the record to have the NETOs and FERC trial staff review certain calculations. The FERC ALJ's initial recommendation is expected by March 31, 2016. A final FERC order is expected in late 2016 or early 2017.

Although Eversource is uncertain on the final outcome of the second and third complaints regarding the ROE, we believe the current reserves established are appropriate to reflect probable and reasonably estimable refunds. For further information, see "FERC Regulatory Issues – FERC ROE Complaints" in the accompanying Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

FERC Order No. 1000

On August 15, 2014, the D.C. Circuit Court of Appeals upheld the FERC's authority to order major changes to transmission planning and cost allocation in FERC Order No. 1000 and Order No. 1000-A, including transmission planning for public policy needs, and the requirement that utilities remove from their transmission tariffs their rights of first refusal to build transmission. On March 19, 2015, the FERC acted on all rehearing requests filed by the NETOs, including CL&P, NSTAR Electric, PSNH and WMECO, and other parties and accepted the November 2013 compliance filing made by ISO-NE and the NETOs, subject to further compliance. The FERC accepted our proposal that the new competitive transmission planning process will not apply to certain projects, which have been declared as the preferred solution by ISO-NE, unless ISO-NE later decides a solution must be re-evaluated. The FERC determined on rehearing that we can restore provisions that recognize the NETOs' rights to retain use and control of their existing rights of ways. Final compliance was filed by the NETOs in November 2015 and was accepted by the FERC on December 14, 2015.

Additionally, the FERC affirmed that it can eliminate our right of first refusal to build transmission in New England even though the FERC previously approved and granted special protections to these rights. The NETOs filed an appeal to the D.C. Circuit Court of Appeals, challenging this FERC ruling. State regulators also filed an appeal, challenging FERC's determination that ISO-NE should select public policy transmission projects after a competitive process. The Court is expected to resolve the appeals in 2016.

Transmission Projects

During 2015, we were involved in the planning, development and construction of a series of electric transmission projects, including the NEEWS family of projects; the Greater Hartford Central Connecticut (GHCC) solutions; and Greater Boston Reliability Solutions, which are a series of new transmission projects over the next five years that will enhance system reliability and improve capacity. We were involved in the planning and

development of Northern Pass, which is our planned HVDC transmission line from the Québec-New Hampshire border to Franklin, New Hampshire and an associated alternating current radial transmission line between Franklin and Deerfield, New Hampshire; and the Clean Energy Connect Project, which is a planned transmission, wind and hydro generation project that we intend to develop with experienced renewable generation companies. For further information, see "Business Development and Capital Expenditures – Electric Transmission Business" in the accompanying Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

Transmission Rate Base

Under our FERC-approved tariff, and with the exception of transmission projects that received specific FERC approval to include CWIP in rate base, transmission projects generally enter rate base after they are placed in commercial operation. At the end of 2015, our estimated transmission rate base was approximately \$5.2 billion, including approximately \$2.4 billion at CL&P, \$1.4 billion at NSTAR Electric, \$548 million at PSNH, and \$625 million at WMECO.

NATURAL GAS DISTRIBUTION SEGMENT

NSTAR Gas distributes natural gas to approximately 286,000 customers in 51 communities in central and eastern Massachusetts covering 1,067 square miles, and Yankee Gas distributes natural gas to approximately 226,000 customers in 71 cities and towns in Connecticut covering 2,187 square miles. Total throughput (sales and transportation) in 2015 was approximately 71.7 Bcf for NSTAR Gas and 57.8 Bcf for Yankee Gas. Our natural gas businesses provide firm natural gas sales service to retail customers who require a continuous natural gas supply throughout the year, such as residential customers who rely on natural gas for heating, hot water and cooking needs, and commercial and industrial customers who choose to purchase natural gas from Eversource Energy's natural gas distribution companies. A portion of the storage of natural gas supply for NSTAR Gas during the winter heating season is provided by Hopkinton LNG Corp., an indirect, wholly-owned subsidiary of Eversource Energy. NSTAR Gas has access to Hopkinton LNG Corp. facilities in Hopkinton, Massachusetts consisting of a LNG liquefaction and vaporization plant and three above-ground cryogenic storage tanks having an aggregate capacity of 3.0 Bcf of liquefied natural gas. NSTAR Gas also has access to Hopkinton LNG Corp. facilities in Acushnet, Massachusetts that include additional storage capacity of 0.5 Bcf and additional vaporization capacity.

Yankee Gas owns a 1.2 Bcf LNG facility in Waterbury, Connecticut, which is used primarily to assist Yankee Gas in meeting its supplier-of-last-resort obligations and also enables it to provide economic supply and make economic refill of natural gas typically during periods of low demand.

NSTAR Gas and Yankee Gas generate revenues primarily through the sale and/or transportation of natural gas. Predominantly all residential customers in the NSTAR Gas service territory buy gas supply and delivery from NSTAR Gas while all customers may choose their natural gas suppliers. Retail natural gas service in Connecticut is partially unbundled: residential customers in Yankee Gas' service territory buy natural gas supply and delivery only from Yankee Gas while commercial and industrial customers may choose their natural gas suppliers. NSTAR Gas offers firm transportation service to all customers who purchase natural gas from sources other than NSTAR Gas while Yankee Gas offers firm transportation service to its commercial and industrial customers who purchase natural gas from sources other than Yankee Gas. In addition, both natural gas distribution companies offer interruptible transportation and interruptible natural gas sales service to those high volume commercial and industrial customers, generally during the colder months, that have the capability to switch from natural gas to an alternative fuel on short notice, for whom NSTAR Gas and Yankee Gas can interrupt service during peak demand periods or at any other time to maintain distribution system integrity.

The following table shows the sources of the 2015 total Eversource Energy natural gas franchise retail revenues based on categories of customers:

| <i>(Thousands of Dollars, except percentages)</i> | 2015 | % of Total |
|---------------------------------------------------|------------|------------|
| Residential | \$ 497,873 | 54 |
| Commercial | 327,439 | 36 |
| Industrial | 93,378 | 10 |
| Total Retail Natural Gas Revenues | \$ 918,690 | 100% |

A summary of our firm natural gas sales volumes in million cubic feet and percentage changes for 2015, as compared to 2014, is as follows:

| | 2015 | 2014 | Percentage Change |
|------------------------------------------------|---------|---------|-------------------|
| Residential | 38,455 | 38,969 | (1.3)% |
| Commercial | 43,006 | 42,977 | 0.1 % |
| Industrial | 21,538 | 22,245 | (3.2)% |
| Total | 102,999 | 104,191 | (1.1)% |
| Total, Net of Special Contracts ⁽¹⁾ | 98,458 | 99,500 | (1.0)% |

⁽¹⁾ Special contracts are unique to the customers who take service under such an arrangement and generally specify the amount of distribution revenue to be paid to Yankee Gas regardless of the customers' usage.

Our firm natural gas sales volumes are subject to many of the same influences as our retail electric sales volumes. In addition, they have benefited from customer growth in both of our natural gas distribution companies. In 2015, consolidated firm natural gas sales volumes were lower, as compared to 2014. The 2015 firm natural gas sales volumes were negatively impacted by record warm weather in the fourth quarter of 2015, when compared to 2014, partially offset by colder winter weather in the first quarter of 2015, as compared to 2014, throughout our natural gas service territories. Weather-normalized Eversource consolidated firm natural gas sales volumes increased 2.5 percent in 2015, as compared to 2014, due primarily to improved economic conditions as well as residential and commercial customer growth, through conversions to natural gas service.

Rates

NSTAR Gas and Yankee Gas are subject to regulation by the DPU and the PURA, respectively, which, among other things, have jurisdiction over rates, certain dispositions of property and plant, mergers and consolidations, issuances of long-term securities, standards of service and construction and operation of facilities. Both of Eversource Energy's natural gas companies are entitled under their respective state law to charge rates that are sufficient to allow them an opportunity to recover their reasonable operating and capital costs, in order to attract needed capital and maintain their financial integrity, while also protecting relevant public interests.

Retail natural gas delivery and supply rates are established by the DPU and the PURA and are comprised of:

- A distribution charge consisting of a fixed customer charge and a demand and/or energy charge that collects the costs of building and expanding the natural gas infrastructure to deliver natural gas supply to its customers. This also includes collection of ongoing operating costs;
- A seasonal cost of gas adjustment clause (CGAC) at NSTAR Gas that collects natural gas supply costs, pipeline and storage capacity costs, costs related to charge-offs of uncollected energy costs and working capital related costs. The CGAC is reset semi-annually. In addition, NSTAR Gas files interim changes to its CGAC factor when the actual costs of natural gas supply vary from projections by more than five percent; and
- A local distribution adjustment clause (LDAC) at NSTAR Gas that collects all energy efficiency and related program costs, environmental costs, pension and PBOP related costs, attorney general consultant costs, and costs associated with low income customers. The LDAC is reset annually and provides for the recovery of certain costs applicable to both sales and transportation customers.
- Purchased Gas Adjustment (PGA) clause, which allows Yankee Gas to recover the costs of the procurement of natural gas for its firm and seasonal customers. Differences between actual natural gas costs and collection amounts on August 31st of each year are deferred and then recovered from or refunded to customers during the following year. Carrying charges on outstanding balances are calculated using Yankee Gas' weighted average cost of capital in accordance with the directives of the PURA; and
- Conservation Adjustment Mechanism (CAM) at Yankee Gas, which allows 100 percent recovery of conservation costs through this mechanism including program incentives to promote energy efficiency, as well as recovery of any lost revenues associated with implementation of energy conservation measures. A reconciliation of CAM revenues to expenses is performed annually with any difference being recovered from or refunded to customers, with carrying charges, during the following year.

NSTAR Gas purchases financial contracts based on NYMEX natural gas futures in order to reduce cash flow variability associated with the purchase price for approximately one-third of its natural gas purchases. These purchases are made under a program approved by the DPU in 2006. This practice attempts to minimize the impact of fluctuations in natural gas prices to NSTAR Gas' firm natural gas customers. These financial contracts do not procure natural gas supply. All costs incurred or benefits realized when these contracts are settled are included in the CGAC.

NSTAR Gas is subject to service quality (SQ) metrics that measure safety, reliability and customer service and could be required to pay to customers a SQ charge of up to 2.5 percent of annual distribution revenues for failing to meet such metrics. NSTAR Gas will not be required to pay a SQ charge for its 2015 performance as it achieved results at or above target for all of its SQ metrics in 2015.

On October 30, 2015, the DPU issued its order in the NSTAR Gas distribution rate case, which approved an annualized base rate increase of \$15.8 million, plus other increases of approximately \$11.5 million, mostly relating to recovery of pension and PBOP expenses and the Hopkinton Gas Service Agreement, effective January 1, 2016. In the order, the DPU also approved an authorized regulatory ROE of 9.8 percent, the establishment of a revenue decoupling mechanism, the recovery of certain bad debt expenses, and a 52.1 percent equity component of its capital structure. On November 19, 2015, NSTAR Gas filed a motion for reconsideration of the order with the DPU seeking the correction of mathematical errors and other plant and cost of service items.

Yankee Gas' last rate proceeding was in 2011, which approved an allowed ROE of 8.83 percent and allowed for a substantial increase in annual spending for bare steel and cast iron pipeline replacement. In 2015, Yankee Gas entered into a settlement agreement with the PURA staff pursuant to which Yankee Gas provided a \$1.5 million rate credit to firm customers beginning in December 2015, and established an earnings sharing mechanism whereby Yankee Gas and its customers will share equally in any earnings exceeding a 9.5 percent ROE in a twelve month period commencing with the period from April 1, 2015 through March 31, 2016.

Massachusetts Natural Gas Replacement and Expansion

On July 7, 2014, Massachusetts enacted "An Act Relative to Natural Gas Leaks" (the Act). The Act establishes a uniform natural gas leak classification standard for all Massachusetts natural gas utilities and a program that accelerates the replacement of aging natural gas infrastructure. The program will enable companies, including NSTAR Gas, to better manage the scheduling and costs of replacement. The Act also calls for the DPU to authorize natural gas utilities to design and offer programs to customers that will increase the availability, affordability and feasibility of natural gas service for new customers.

In October 2014, pursuant to the Act, NSTAR Gas filed the Gas System Enhancement Program (GSEP) with the DPU. NSTAR Gas' program accelerates the replacement of certain natural gas distribution facilities in the system to within 25 years. The GSEP includes a new tariff effective January 1, 2016 that provides NSTAR Gas an opportunity to collect the costs for the program on an annual basis through a newly designed

reconciling factor. On April 30, 2015, the DPU approved the GSEP. We expect capital expenditures of approximately \$255 million for the period 2016 through 2019 for the GSEP.

Connecticut Natural Gas Expansion Plan

In 2013, in accordance with Connecticut law and regulations, the PURA approved a comprehensive joint natural gas infrastructure expansion plan (expansion plan) filed by Yankee Gas and other Connecticut natural gas distribution companies. The expansion plan described how Yankee Gas expects to add approximately 82,000 new natural gas heating customers over a 10-year period. Yankee Gas estimates that its portion of the plan will cost approximately \$700 million over 10 years. In January 2015, the PURA approved a joint settlement agreement proposed by Yankee Gas and other Connecticut natural gas distribution companies and regulatory agencies that clarified the procedures and oversight criteria applicable to the expansion plan. On March 20, 2015, Yankee Gas filed its initial System Expansion (SE) Rate reconciliation for 2014. The proposed SE rate was approved by the PURA for implementation as of April 1, 2015, pending final PURA approval following a contested hearing.

Sources and Availability of Natural Gas Supply

NSTAR Gas maintains a flexible resource portfolio consisting of natural gas supply contracts, transportation contracts on interstate pipelines, market area storage and peaking services. NSTAR Gas purchases transportation, storage, and balancing services from Tennessee Gas Pipeline Company and Algonquin Gas Transmission Company, as well as other upstream pipelines that transport gas from major producing regions in the U.S., including the Gulf Coast, Mid-continent region, and Appalachian Shale supplies to the final delivery points in the NSTAR Gas service area. NSTAR Gas purchases all of its natural gas supply under a firm portfolio management contract with a term of one year, which has a maximum quantity of approximately 154,700 MMBtu/day of firm flowing natural gas supplies and 76,700 MMBtu/day of firm natural gas storage supplies.

In addition to the firm transportation and natural gas supplies mentioned above, NSTAR Gas utilizes contracts for underground storage and LNG facilities to meet its winter peaking demands. The LNG facilities, described below, are located within NSTAR Gas' distribution system and are used to liquefy and store pipeline natural gas during the warmer months for vaporization and use during the heating season. During the summer injection season, excess pipeline capacity and supplies are used to deliver and store natural gas in market area underground storage facilities located in the New York and Pennsylvania regions. Stored natural gas is withdrawn during the winter season to supplement flowing pipeline supplies in order to meet firm heating demand. NSTAR Gas has firm underground storage contracts and total storage capacity entitlements of approximately 6.6 Bcf.

A portion of the storage of natural gas supply for NSTAR Gas during the winter heating season is provided by Hopkinton LNG Corp., which owns an LNG liquefaction and vaporization plant and three above-ground cryogenic storage tanks having an aggregate capacity of 3.0 Bcf of liquefied natural gas. NSTAR Gas also has access to Hopkinton LNG Corp. facilities that include additional storage capacity of 0.5 Bcf and additional vaporization capacity.

The PURA requires that Yankee Gas meet the needs of its firm customers under all weather conditions. Specifically, Yankee Gas must structure its supply portfolio to meet firm customer needs under a design day scenario (defined as the coldest day in 30 years) and under a design year scenario (defined as the average of the four coldest years in the last 30 years). Yankee Gas' on-system stored LNG and underground storage supplies help to meet consumption needs during the coldest days of winter. Yankee Gas obtains its interstate capacity from the three interstate pipelines that directly serve Connecticut: the Algonquin, Tennessee and Iroquois Pipelines. Yankee Gas has long-term firm contracts for capacity on TransCanada Pipelines Limited Pipeline, Vector Pipeline, L.P., Tennessee Gas Pipeline, Iroquois Gas Transmission Pipeline, Algonquin Pipeline, Union Gas Limited, Dominion Transmission, Inc., National Fuel Gas Supply Corporation, Transcontinental Gas Pipeline Company, and Texas Eastern Transmission, L.P. pipelines.

Based on information currently available regarding projected growth in demand and estimates of availability of future supplies of pipeline natural gas, NSTAR Gas and Yankee Gas each believes that participation in planned and anticipated pipeline and storage expansion projects will be required in order for it to meet current and future sales growth opportunities.

NATURAL GAS PIPELINE EXPANSION

Access Northeast is a natural gas pipeline and storage project (the "Project") being developed jointly by Eversource, Spectra Energy Corp and National Grid. Access Northeast will enhance the Algonquin and Maritimes & Northeast pipeline systems using existing routes and will include two new LNG storage tanks and liquefaction and vaporization facilities in Acushnet, Massachusetts that will be connected to the Algonquin gas pipeline. The Project is expected to be capable of delivering approximately 900 million cubic feet of additional natural gas per day to New England on peak demand days.

Eversource and Spectra Energy Corp each own a 40 percent interest in the Project, with the remaining 20 percent interest owned by National Grid. The total projected cost for both the pipeline and the LNG storage is expected to be approximately \$3 billion with anticipated in-service dates commencing in November 2018. The Project is subject to FERC and other federal and state regulatory approvals. On November 17, 2015, the FERC accepted the Project's request to initiate the pre-filing review process. Upon completion of the pre-filing review, a certificate application will be filed with the FERC. In late 2015, the Project bid into the New England Natural Gas Pipeline Capacity RFP conducted by certain EDCs in Massachusetts and Rhode Island, including NSTAR Electric and WMECO in Massachusetts, and in December 2015 and January 2016, those Massachusetts EDCs filed with the DPU seeking approval of the contracts for pipeline and storage capacity with the Project. We expect the Rhode Island EDC to file its selected contracts with the Rhode Island regulatory agencies in the first half of 2016. In February 2016, PSNH filed for approval with the NHPUC, of its proposed contract for natural gas pipeline capacity and storage with the Project.

PROJECTED CAPITAL EXPENDITURES

We project to make capital expenditures of approximately \$9.2 billion from 2016 through 2019. Of the \$9.2 billion, we expect to invest approximately \$4.9 billion in our electric and natural gas distribution segments and \$3.9 billion in our electric transmission segment. In addition, we

project to invest approximately \$0.4 billion in information technology and facilities upgrades and enhancements. These projections do not include capital expenditures related to Access Northeast or Clean Energy Connect.

FINANCING

Our credit facilities and indentures require that Eversource Energy parent and certain of its subsidiaries, including CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas, comply with certain financial and non-financial covenants as are customarily included in such agreements, including maintaining a ratio of consolidated debt to total capitalization of no more than 65 percent. All of these companies currently are, and expect to remain, in compliance with these covenants.

As of December 31, 2015, a total of \$200 million of Eversource's long-term debt, all at NSTAR Electric, will be paid in the next 12 months.

NUCLEAR FUEL STORAGE

CL&P, NSTAR Electric, PSNH, WMECO and several other New England electric utilities are stockholders in three inactive regional nuclear generation companies, CYAPC, MYAPC and YAEC (collectively, the Yankee Companies). The Yankee Companies have completed the physical decommissioning of their respective generation facilities and are now engaged in the long-term storage of their spent nuclear fuel. The Yankee Companies have completed collection of their decommissioning and closure costs through the proceeds from the spent nuclear fuel litigation against the DOE and has refunded amounts to its member companies. These proceeds were used by the Yankee Companies to offset the decommissioning and closure cost amounts due from their member companies or to decrease the wholesale FERC-approved rates charged under power purchase agreements with CL&P, NSTAR Electric, PSNH and WMECO and several other New England utilities. The decommissioning rates charged by the Yankee Companies have been reduced to zero. CL&P, NSTAR Electric, PSNH and WMECO can recover these costs from, or refund proceeds to, their customers through state regulatory commission-approved retail rates.

We consolidate the assets and obligations of CYAPC and YAEC on our consolidated balance sheet because we own more than 50 percent of these companies.

For information on the DOE proceeds received related to the spent nuclear fuel litigation, see Note 11C, "Commitments and Contingencies – Contractual Obligations – Yankee Companies," in the accompanying Item 8, *Financial Statements and Supplementary Data*.

OTHER REGULATORY AND ENVIRONMENTAL MATTERS

General

We are regulated in virtually all aspects of our business by various federal and state agencies, including FERC, the SEC, and various state and/or local regulatory authorities with jurisdiction over the industry and the service areas in which each of our companies operates, including the PURA, which has jurisdiction over CL&P and Yankee Gas, the NHPUC, which has jurisdiction over PSNH, and the DPU, which has jurisdiction over NSTAR Electric, NSTAR Gas and WMECO.

Environmental Regulation

We are subject to various federal, state and local requirements with respect to water quality, air quality, toxic substances, hazardous waste and other environmental matters. Additionally, major generation and transmission facilities may not be constructed or significantly modified without a review of the environmental impact of the proposed construction or modification by the applicable federal or state agencies.

Water Quality Requirements

The Clean Water Act requires every "point source" discharger of pollutants into navigable waters to obtain a National Pollutant Discharge Elimination System (NPDES) permit from the EPA or state environmental agency specifying the allowable quantity and characteristics of its effluent. States may also require additional permits for discharges into state waters. We are in the process of maintaining or renewing all required NPDES or state discharge permits in effect for PSNH's generation facilities.

In 1997, PSNH filed in a timely manner for a renewal of the NPDES permit for the Merrimack Station. As a result, the existing permit was administratively continued. In 2011, the EPA issued a draft renewal NPDES permit for PSNH's Merrimack Station for public review and comment. The proposed permit contains many significant conditions to future operation. The proposed permit would require PSNH to install a closed-cycle cooling system (including cooling towers) at the station. The EPA estimated that the net present value cost to install this system and operate it over a 20-year period would be approximately \$112 million. PSNH and other electric utility groups filed thousands of pages of comments contesting EPA's draft permit requirements. PSNH stated that the data and studies supplied to the EPA demonstrate the fact that a closed-cycle cooling system is not warranted. On April 18, 2015 EPA issued a revised section of the draft NPDES permit for Merrimack Station. The revised portion of the draft permit deals solely with the treatment of wastewater from the flue gas desulfurization system. On August 18, 2015 PSNH again submitted comments. The EPA does not have a set deadline to consider comments and to issue a final permit. Merrimack Station is permitted to continue to operate under its present permit pending issuance of the final permit and subsequent resolution of matters appealed by PSNH and other parties. Due to the site specific characteristics of PSNH's other coal- and oil-fired electric generating stations, we believe it is unlikely that they would face similar permitting determinations.

Air Quality Requirements

The Clean Air Act Amendments (CAAA), as well as New Hampshire law, impose stringent requirements on emissions of SO₂ and NO_x for the purpose of controlling acid rain and ground level ozone. In addition, the CAAA address the control of toxic air pollutants. Requirements for the installation of continuous emissions monitors and expanded permitting provisions also are included.

In 2011, the EPA finalized the Mercury and Air Toxic Standards (MATS) that require the reduction of emissions of hazardous air pollutants from new and existing coal- and oil-fired electric generating stations. Previously referred to as the Utility MACT (maximum achievable control technology) rules, it establishes emission limits for mercury, arsenic and other hazardous air pollutants from coal- and oil-fired electric generating stations. MATS is the first implementation of a nationwide emissions standard for hazardous air pollutants across all electric generating units and provides utility companies with up to five years to meet the requirements. PSNH owns and operates approximately 1,000 MW of coal- and oil-fired electric generating stations subject to MATS, including the two units at Merrimack Station, Newington Station and the two coal units at Schiller Station. We believe the Clean Air Project at our Merrimack Station, together with existing equipment, will enable the facility to meet the MATS requirements. At Schiller Station additional controls are being installed at the two coal-fired units, the cost of which is estimated to be approximately \$2.5 million.

Each of the states in which we do business also has Renewable Portfolio Standards (RPS) requirements, which generally require fixed percentages of our energy supply to come from renewable energy sources such as solar, hydropower, landfill gas, fuel cells and other similar sources.

New Hampshire's RPS provision requires increasing percentages of the electricity sold to retail customers to have direct ties to renewable sources. In 2015, the total RPS obligation was 8.3 percent and it will ultimately reach 24.8 percent in 2025. Energy suppliers, like PSNH, must possess sufficient quantities of RECs to satisfy the RPS requirements. PSNH owns renewable sources and uses a portion of internally generated RECs to meet its RPS obligations and sells other internally generated RECs when it is economically beneficial to do so. To the extent that a supplier, like PSNH, does not possess sufficient RECs to satisfy its RPS requirements, it makes up any shortfall by making an alternative compliance payment at a rate per REC established by law. The costs of both the RECs and alternative compliance payments are recovered by PSNH through its default energy service rates charged to customers.

Similarly, Connecticut's RPS statute requires increasing percentages of the electricity sold to retail customers to have direct ties to renewable sources. In 2015, the total RPS obligation was 19.5 percent and will ultimately reach 27 percent in 2020. CL&P is permitted to recover any costs incurred in complying with RPS from its customers through its GSC rate.

Massachusetts' RPS program also requires electricity suppliers to meet renewable energy standards. For 2015, the requirement was 19.25 percent, and will ultimately reach 22.1 percent in 2020. NSTAR Electric and WMECO are permitted to recover any costs incurred in complying with RPS from its customers through rates. WMECO also owns renewable solar generation resources. The RECs generated from WMECO's solar units are sold to other energy suppliers, and the proceeds from these sales are credited back to customers.

Hazardous Materials Regulations

We have recorded a liability for what we believe, based upon currently available information, is our reasonably estimable environmental investigation, remediation, and/or Natural Resource Damages costs for waste disposal sites for which we have probable liability. Under federal and state law, government agencies and private parties can attempt to impose liability on us for recovery of investigation and remediation costs at hazardous waste sites. As of December 31, 2015, the liability recorded for our reasonably estimable and probable environmental remediation costs for known sites needing investigation and/or remediation, exclusive of recoveries from insurance or from third parties, was approximately \$51.1 million, representing 64 sites. These costs could be significantly higher if additional remediation becomes necessary or when additional information as to the extent of contamination becomes available.

The most significant liabilities currently relate to future clean-up costs at former MGP facilities. These facilities were owned and operated by our predecessor companies from the mid-1800's to mid-1900's. By-products from the manufacture of gas using coal resulted in fuel oils, hydrocarbons, coal tar, purifier wastes, metals and other waste products that may pose risks to human health and the environment. We currently have partial or full ownership responsibilities at former MGP sites that have a reserve balance of \$45.5 million of the total \$51.1 million as of December 31, 2015. Many of these MGP costs are recoverable from customers through our rates.

Electric and Magnetic Fields

For more than twenty years, published reports have discussed the possibility of adverse health effects from electric and magnetic fields (EMF) associated with electric transmission and distribution facilities and appliances and wiring in buildings and homes. Although weak health risk associations reported in some epidemiology studies remain unexplained, most researchers, as well as numerous scientific review panels, considering all significant EMF epidemiology and laboratory studies, have concluded that the available body of scientific information does not support the conclusion that EMF affects human health.

In accordance with recommendations of various regulatory bodies and public health organizations, we reduce EMF associated with new transmission lines by the use of designs that can be implemented without additional cost or at a modest cost. We do not believe that other capital expenditures are appropriate to minimize unsubstantiated risks.

Global Climate Change and Greenhouse Gas Emission Issues

Global climate change and greenhouse gas emission issues have received an increased focus from state governments and the federal government. The EPA initiated a rulemaking addressing greenhouse gas emissions and, on December 7, 2009, issued a finding that concluded that greenhouse gas emissions are "air pollution" that endangers public health and welfare and should be regulated. The largest source of greenhouse gas emissions in the U.S. is the electricity generating sector. The EPA has mandated greenhouse gas emission reporting beginning in 2011 for emissions for certain aspects of our business including stationary combustion, volume of gas supplied to large customers and fugitive emissions of SF₆ gas and methane.

We are continually evaluating the regulatory risks and regulatory uncertainty presented by climate change concerns. Such concerns could potentially lead to additional rules and regulations that impact how we operate our business, both in terms of the generating facilities we own and operate as well as general utility operations. These could include federal "cap and trade" laws, carbon taxes, fuel and energy taxes, or regulations requiring additional capital expenditures at our generating facilities. We expect that any costs of these rules and regulations would be recovered from customers.

Connecticut, New Hampshire and Massachusetts are each members of the Regional Greenhouse Gas Initiative (RGGI), a cooperative effort by nine northeastern and mid-Atlantic states, to develop a regional program for stabilizing and reducing CO₂ emissions from coal- and oil-fired electric generating plants. Because CO₂ allowances issued by any participating state are usable across all nine RGGI state programs, the individual state CO₂ trading programs, in the aggregate, form one regional compliance market for CO₂ emissions. The third three-year control period took effect on January 1, 2015 and extends through December 31, 2017. In this control period, each regulated power plant must hold CO₂ allowances equal to 50 percent of its emissions during each of the first two years of the three-year period, and hold CO₂ allowances equal to 100 percent of its remaining emissions for the three-year control period at the end of the period.

PSNH anticipates that its generating units will emit between one million and three million tons of CO₂ per year, depending on the capacity factor and the utilization of the respective generation plant, excluding emissions from the operation of PSNH's Northern Wood Power Project, which emissions are an offset. PSNH satisfied its RGGI requirements by purchasing CO₂ allowances at auction. The cost of complying with RGGI requirements is recoverable from PSNH customers. Current legislation provides that the portion of the RGGI auction proceeds in excess of \$1 per allowance will be refunded to customers.

Because none of Eversource Energy's other subsidiaries, CL&P, NSTAR Electric or WMECO, currently owns any generating assets (other than WMECO's solar photovoltaic facilities that do not emit CO₂), none of them is required to acquire CO₂ allowances. However, the CO₂ allowance costs borne by the generating facilities that are utilized by wholesale energy suppliers to satisfy energy supply requirements to CL&P, NSTAR Electric and WMECO are likely to be included in the overall wholesale rates charged, which costs are then recoverable from customers.

FERC Hydroelectric Project Licensing

Federal Power Act licenses may be issued for hydroelectric projects for terms of 30 to 50 years as determined by the FERC. Upon the expiration of an existing license, (i) the FERC may issue a new license to the existing licensee, (ii) the United States may take over the project, or (iii) the FERC may issue a new license to a new licensee, upon payment to the existing licensee of the lesser of the fair value or the net investment in the project, plus severance damages, less certain amounts earned by the licensee in excess of a reasonable rate of return.

PSNH currently owns nine hydroelectric generating stations with a current claimed capability representing winter rates of approximately 71 MW, eight of which are licensed by the FERC under long-term licenses that expire on varying dates from 2017 through 2047. PSNH and its hydroelectric projects are subject to conditions set forth in such licenses, the Federal Power Act and related FERC regulations, including provisions related to the condemnation of a project upon payment of just compensation, amortization of project investment from excess project earnings, possible takeover of a project after expiration of its license upon payment of net investment and severance damages and other matters. PSNH is currently completing the relicensing application for its 6.5 MW Eastman Falls Hydro Station, the license for which expires in 2017.

EMPLOYEES

As of December 31, 2015, Eversource Energy employed a total of 7,943 employees, excluding temporary employees, of which 1,037 were employed by CL&P, 1,240 were employed by NSTAR Electric, 694 were employed by PSNH, and 291 were employed by WMECO. Approximately 50 percent of our employees are members of the International Brotherhood of Electrical Workers, the Utility Workers Union of America or The United Steelworkers, and are covered by 14 collective bargaining agreements.

INTERNET INFORMATION

Our website address is www.eversource.com. We make available through our website a link to the SEC's EDGAR website (<http://www.sec.gov/edgar/searchedgar/companysearch.html>), at which site Eversource Energy's, CL&P's, NSTAR Electric's, PSNH's and WMECO's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports may be reviewed. Information contained on the Company's website or that can be accessed through the website is not incorporated into and does not constitute a part of this Annual Report on Form 10-K. Printed copies of these reports may be obtained free of charge by writing to our Investor Relations Department at Eversource Energy, 107 Selden Street, Berlin, CT 06037.

Risk Factors

In addition to the matters set forth under "Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995" included immediately prior to Item 1, *Business*, above, we are subject to a variety of significant risks. Our susceptibility to certain risks, including those discussed in detail below, could exacerbate other risks. These risk factors should be considered carefully in evaluating our risk profile.

Cyber breaches, acts of war or terrorism, or grid disturbances could negatively impact our business.

Cyber breaches, acts of war or terrorism, physical attacks or grid disturbances resulting from internal or external sources could target our transmission, distribution and generation facilities or our information technology systems. Such actions could impair our ability to manage these facilities, operate our systems effectively, or properly manage our data, networks and programs, resulting in loss of service to customers.

We have instituted safeguards to protect our operational systems and information technology assets. We devote substantial resources to network and application security, encryption and other measures to protect our computer systems and infrastructure from unauthorized access or misuse and interface with numerous external entities to improve our cybersecurity situational awareness. FERC, through the North American Electric Reliability Corporation, requires certain safeguards to be implemented to deter cyber and/or physical attacks. These safeguards may not always be effective due to the evolving nature of cyber and/or physical attacks.

Because our generation and transmission facilities are part of an interconnected regional grid, we face the risk of blackout due to a disruption on a neighboring interconnected system.

Any such cyber breaches, acts of war or terrorism, physical attacks or grid disturbances could result in a significant decrease in revenues, significant expense to repair system damage or security breaches, and liability claims, which could have a material adverse impact on our financial position, results of operations or cash flows.

Strategic development opportunities in both electric and natural gas transmission may not be successful and projects may not commence operation as scheduled or be completed, which could have a material adverse effect on our business prospects.

We are pursuing broader strategic development investment opportunities that will benefit the New England region related to the construction of electric and natural gas transmission facilities, interconnections to generating resources and other investment opportunities. The development, construction and expansion of electric transmission and natural gas transmission facilities involve numerous risks. Various factors could result in increased costs or result in delays or cancellation of these projects. Risks include regulatory approval processes, new legislation, economic events or factors, environmental and community concerns, design and siting issues, difficulties in obtaining required rights of way, competition from incumbent utilities and other entities, and actions of strategic partners. Should any of these factors result in such delays or cancellations, our financial position, results of operations, and cash flows could be adversely affected or our future growth opportunities may not be realized as anticipated.

As a result of legislative and regulatory changes during 2015, the states in which we provide service have implemented new procedures to select for construction new major electric transmission and gas pipeline facilities. These procedures require the review of competing projects and permit the selection of only those projects that are expected to provide the greatest benefit to customers. If the projects in which we have invested are not selected for construction, it would have a material adverse effect on our future financial position, results of operations and cash flows.

The actions of regulators and legislators can significantly affect our earnings, liquidity and business activities.

The rates that our electric and gas companies charge their customers are determined by their state regulatory commissions and by FERC. These commissions also regulate the companies' accounting, operations, the issuance of certain securities and certain other matters. FERC also regulates the transmission of electric energy, the sale of electric energy at wholesale, accounting, issuance of certain securities and certain other matters.

Under state and federal law, our electric and gas companies are entitled to charge rates that are sufficient to allow them an opportunity to recover their reasonable operating and capital costs, to attract needed capital and maintain their financial integrity, while also protecting relevant public interests. Each of these companies prepares and submits periodic rate filings with their respective regulatory commissions for review and approval.

The FERC has jurisdiction over our transmission costs recovery and the allowed return on equity. The ROE has been contested by outside parties as unjust and unreasonable. Certain outside parties have filed three complaints against all electric companies under the jurisdiction of ISO-NE alleging that the ROE is unjust and unreasonable. The first complaint, which was concluded in 2015, resulted in a decrease of the allowed ROE. The second and third complaints are currently under review with the FERC. The FERC has initiated a review of the regional and local transmission rates due to a lack of adequate transparency. FERC also found that the formula rates generally lacked sufficient details to determine how costs are derived and recovered in rates.

A federal appeals court decision has upheld the FERC's authority to order major changes to transmission planning and cost allocation in FERC Order No. 1000 and Order No. 1000-A, including transmission planning for public policy needs, and the requirement that utilities remove from their transmission tariffs their rights of first refusal to build transmission. Additionally, the FERC affirmed that it can eliminate our right of first refusal to build transmission in New England even though the FERC previously approved and granted special protections to these rights. Implementation of FERC's goals in New England, including within our service territories, may expose us to competition for construction of transmission projects, additional regulatory considerations, and potential delay with respect to future transmission projects, which may adversely affect our results of operation.

There is no assurance that the commissions will approve the recovery of all costs incurred by our electric and gas companies, including costs for construction, operation and maintenance, as well as a reasonable return on their respective regulated assets. The amount of costs incurred by the companies, coupled with increases in fuel and energy prices, could lead to consumer or regulatory resistance to the timely recovery of such costs, thereby adversely affecting our financial position, results of operations or cash flows.

If our settlement agreement regarding the divestiture of our generation assets in New Hampshire is not approved, it could have a material adverse effect on our earnings.

Under our settlement agreement for the divestiture of our generation assets in New Hampshire, we will be entitled to collect from customers an amount equal to the difference between the proceeds from the sale of these assets and the undepreciated book value of those assets. Costs related to the divestiture would also be recoverable. To minimize the financial impact on customers in New Hampshire, the legislature passed legislation that allows for the securitization of stranded costs to be recovered. If the NHPUC does not approve the settlement, we may not be able to fully recover these costs in future rate proceedings, which could have a material adverse effect on our financial position, results of operations and cash flows.

Our transmission, distribution and generation systems may not operate as expected, and could require unplanned expenditures, which could adversely affect our financial position, results of operations and cash flows.

Our ability to properly operate our transmission, distribution and generation systems is critical to the financial performance of our business. Our transmission, distribution and generation businesses face several operational risks, including the breakdown, failure of, or damage to operating equipment, information technology systems, or processes, especially due to age; labor disputes; disruptions in the delivery of electricity and natural gas, including impacts on us or our customers; increased capital expenditure requirements, including those due to environmental regulation; catastrophic events such as fires, explosions, or other similar occurrences; extreme weather conditions beyond equipment and plant design capacity; other unanticipated operations and maintenance expenses and liabilities; and potential claims for property damage or personal injuries beyond the scope of our insurance coverage. Many of our transmission projects are expected to alleviate identified reliability issues and reduce customers' costs. However, if the in-service date for one or more of these projects is delayed due to economic events or factors, or regulatory or other delays, the risk of failures in the electricity transmission system may increase. Any failure of our transmission, distribution and generation systems to operate as planned may result in increased capital costs, reduced earnings or unplanned increases in operation and maintenance costs. Outages at generating stations may be deemed imprudent by the NHPUC resulting in disallowance of replacement power and repair costs. Such costs that are not recoverable from our customers would have an adverse effect on our financial position, results of operations and cash flows.

Increases in electric and gas prices and/or a weak economy can lead to changes in legislative and regulatory policy promoting increased energy efficiency, conservation, and self-generation and/or a reduction in our customers' ability to pay their bills, which may adversely impact our business.

Energy consumption is significantly impacted by the general level of economic activity and cost of energy supply. Economic downturns or periods of high energy supply costs typically can lead to the development of legislative and regulatory policy designed to promote reductions in energy consumption and increased energy efficiency and self-generation by customers. This focus on conservation, energy efficiency and self-generation may result in a decline in electricity and natural gas sales in our service territories. Economic downturns or periods of high energy supply costs can also impact customers' ability to pay their energy bills, resulting in increased bad debt expense. If energy use were to decline or bad debt expense were to increase, without corresponding adjustments in rates at our electric and gas companies that do not currently have revenue decoupling, then our revenues would be reduced, which would have an adverse effect on our financial position, results of operations and cash flows.

Severe storms could cause significant damage to any of our facilities requiring extensive expenditures, the recovery for which is subject to approval by regulators.

Severe weather, such as ice and snow storms, hurricanes and other natural disasters, may cause outages and property damage, which may require us to incur additional costs that may not be recoverable from customers. The cost of repairing damage to our operating subsidiaries' facilities and the potential disruption of their operations due to storms, natural disasters or other catastrophic events could be substantial, particularly as regulators and customers demand better and quicker response times to outages. If, upon review, any of our state regulatory authorities finds that our actions were imprudent, some of those restoration costs may not be recoverable from customers. The inability to recover a significant amount of such costs could have an adverse effect on our financial position, results of operations and cash flows.

Our goodwill is valued and recorded at an amount that, if impaired and written down, could adversely affect our future operating results and total capitalization.

We have a significant amount of goodwill on our consolidated balance sheet. As of December 31, 2015, goodwill totaled \$3.5 billion. The carrying value of goodwill represents the fair value of an acquired business in excess of identifiable assets and liabilities as of the acquisition date. We test our goodwill balances for impairment on an annual basis or whenever events occur or circumstances change that would indicate a potential for impairment. A determination that goodwill is deemed to be impaired would result in a non-cash charge that could materially adversely affect our financial position, results of operations and total capitalization. The annual goodwill impairment test in 2015 resulted in a conclusion that our goodwill is not impaired.

Eversource Energy and its utility subsidiaries are exposed to significant reputational risks, which make them vulnerable to increased regulatory oversight or other sanctions.

Because utility companies, including our electric and natural gas utility subsidiaries, have large customer bases, they are subject to adverse publicity focused on the reliability of their distribution services and the speed with which they are able to respond to electric outages, natural gas leaks and similar interruptions caused by storm damage or other unanticipated events. Adverse publicity of this nature could harm the reputations of Eversource Energy and its subsidiaries; may make state legislatures, utility commissions and other regulatory authorities less likely to view Eversource Energy and its subsidiaries in a favorable light; and may cause Eversource Energy and its subsidiaries to be subject to less favorable legislative and regulatory outcomes or increased regulatory oversight. Unfavorable regulatory outcomes can include more stringent laws and regulations governing our operations, such as reliability and customer service quality standards or vegetation management requirements, as well as fines, penalties or other sanctions or requirements. The imposition of any of the foregoing could have a material adverse effect on the business, results of operations, cash flow and financial condition of Eversource Energy and each of its utility subsidiaries.

Limits on our access to and increases in the cost of capital may adversely impact our ability to execute our business plan.

We use short-term debt and the long-term capital markets as a significant source of liquidity and funding for capital requirements not obtained from our operating cash flow. If access to these sources of liquidity becomes constrained, our ability to implement our business strategy could be adversely affected. In addition, higher interest rates would increase our cost of borrowing, which could adversely impact our results of operations. A downgrade of our credit ratings or events beyond our control, such as a disruption in global capital and credit markets, could increase our cost of borrowing and cost of capital or restrict our ability to access the capital markets and negatively affect our ability to maintain and to expand our businesses.

Our counterparties may not meet their obligations to us or may elect to exercise their termination rights, which could adversely affect our earnings.

We are exposed to the risk that counterparties to various arrangements who owe us money, have contracted to supply us with energy, coal, or other commodities or services, or who work with us as strategic partners, including on significant capital projects, will not be able to perform their obligations, will terminate such arrangements or, with respect to our credit facilities, fail to honor their commitments. Should any of these counterparties fail to perform their obligations or terminate such arrangements, we might be forced to replace the underlying commitment at higher market prices and/or have to delay the completion of, or cancel a capital project. Should any lenders under our credit facilities fail to perform, the level of borrowing capacity under those arrangements could decrease. In any such events, our financial position, results of operations, or cash flows could be adversely affected.

The unauthorized access to and the misappropriation of confidential and proprietary customer, employee, financial or system operating information could adversely affect our business operations and adversely impact our reputation.

In the regular course of business we maintain sensitive customer, employee, financial and system operating information and are required by various federal and state laws to safeguard this information. Cyber intrusions, security breaches, theft or loss of this information by cyber crime or otherwise could lead to the release of critical operating information or confidential customer or employee information, which could adversely affect our business operations or adversely impact our reputation, and could result in significant costs, fines and litigation. We maintain limited privacy protection liability insurance to cover limited damages and defense costs arising from unauthorized disclosure of, or failure to protect, private information as well as costs for notification to, or for credit card monitoring of, customers, employees and other persons in the event of a breach of private information. This insurance covers amounts paid to avert, prevent or stop a network attack or the disclosure of personal information, and costs of a qualified forensics firm to determine the cause, source and extent of a network attack or to investigate, examine and analyze our network to find the cause, source and extent of a data breach. While we have implemented measures designed to prevent cyber-attacks and mitigate their effects should they occur. These measures may not be effective due to the continually evolving nature of efforts to access confidential information.

The loss of key personnel or the inability to hire and retain qualified employees could have an adverse effect on our business, financial position and results of operations.

Our operations depend on the continued efforts of our employees. Retaining key employees and maintaining the ability to attract new employees are important to both our operational and financial performance. We cannot guarantee that any member of our management or any key employee at the Eversource parent or subsidiary level will continue to serve in any capacity for any particular period of time. In addition, a significant portion of our workforce, including many workers with specialized skills maintaining and servicing the electrical infrastructure, will be eligible to retire over the next five to ten years. Such highly skilled individuals cannot be quickly replaced due to the technically complex work they perform. We have developed strategic workforce plans to identify key functions and proactively implement plans to assure a ready and qualified workforce, but cannot predict the impact of these plans on our ability to hire and retain key employees.

Market performance or changes in assumptions require us to make significant contributions to our pension and other postretirement benefit plans.

We provide a defined benefit pension plan and other postretirement benefits for a substantial number of employees, former employees and retirees. Our future pension obligations, costs and liabilities are highly dependent on a variety of factors beyond our control. These factors include estimated investment returns, interest rates, discount rates, health care cost trends, benefit changes, salary increases and the demographics of plan participants. If our assumptions prove to be inaccurate, our future costs could increase significantly. In addition, various factors, including underperformance of plan investments and changes in law or regulation, could increase the amount of contributions required to fund our pension plan in the future. Additional large funding requirements, when combined with the financing requirements of our construction program, could impact the timing and amount of future financings and negatively affect our financial position, results of operations or cash flows. For further information, see Note 9A, "Employee Benefits - Pensions and Postretirement Benefits Other Than Pensions," to the financial statements.

Costs of compliance with environmental regulations, including climate change legislation, may increase and have an adverse effect on our business and results of operations.

Our subsidiaries' operations are subject to extensive federal, state and local environmental statutes, rules and regulations that govern, among other things, air emissions, water discharges and the management of hazardous and solid waste. Compliance with these requirements requires us to incur significant costs relating to environmental monitoring, maintenance and upgrading of facilities, remediation and permitting. The costs of compliance with existing legal requirements or legal requirements not yet adopted may increase in the future. An increase in such costs, unless promptly recovered, could have an adverse impact on our business and our financial position, results of operations or cash flows.

In addition, global climate change issues have received an increased focus from federal and state government agencies. Although we would expect that any costs of these rules and regulations would be recovered from customers, their impact on energy use by customers and the ultimate impact on our business would be dependent upon the specific rules and regulations adopted and cannot be determined at this time. The impact of these additional costs to customers could lead to a further reduction in energy consumption resulting in a decline in electricity and gas sales in our service territories, which would have an adverse impact on our business and financial position, results of operations or cash flows. Any failure by us to comply with environmental laws and regulations, even if due to factors beyond our control, or reinterpretations of existing requirements, could also increase costs.

Existing environmental laws and regulations may be revised or new laws and regulations seeking to protect the environment may be adopted or become applicable to us. Revised or additional laws could result in significant additional expense and operating restrictions on our facilities or increased compliance costs, which may not be fully recoverable in distribution company rates. The cost impact of any such laws, rules or regulations would be dependent upon the specific requirements adopted and cannot be determined at this time. For further information, see Item 1, *Business - Other Regulatory and Environmental Matters*, included in this Annual Report on Form 10-K.

As a holding company with no revenue-generating operations, Eversource parent's liquidity is dependent on dividends from its subsidiaries, its commercial paper program, and its ability to access the long-term debt and equity capital markets.

Eversource parent is a holding company and as such, has no revenue-generating operations of its own. Its ability to meet its debt service obligations and to pay dividends on its common shares is largely dependent on the ability of its subsidiaries to pay dividends to or repay borrowings from Eversource parent, and/or Eversource parent's ability to access its commercial paper program or the long-term debt and equity capital markets. Prior to funding Eversource parent, the subsidiary companies have financial obligations that must be satisfied, including among others, their operating expenses, debt service, preferred dividends of certain subsidiaries, and obligations to trade creditors. Additionally, the subsidiary companies could retain their free cash flow to fund their capital expenditures in lieu of receiving equity contributions from Eversource parent. Should the subsidiary companies not be able to pay dividends or repay funds due to Eversource parent, or if Eversource parent cannot access its commercial paper programs or the long-term debt and equity capital markets, Eversource parent's ability to pay interest, dividends and its own debt obligations would be restricted.

Item 1B. Unresolved Staff Comments

We do not have any unresolved SEC staff comments.

Item 2. Properties

Transmission and Distribution System

As of December 31, 2015, Eversource and our electric operating subsidiaries owned the following:

| Eversource | Electric Distribution | | Electric Transmission | |
|-----------------------------------------------------------------------------------|-----------------------|-----|-----------------------|----|
| | | | | |
| Number of substations owned | | 512 | | 66 |
| Transformer capacity (in kVa) | 41,484,000 | | 13,780,000 | |
| Overhead lines (in circuit miles) | 40,258 | | 3,932 | |
| Capacity range of overhead transmission lines (in kV) | N/A | | 69 to 345 | |
| Underground lines (distribution in circuit miles and transmission in cable miles) | 16,778 | | 407 | |
| Capacity range of underground transmission lines (in kV) | N/A | | 69 to 345 | |

| | CL&P | | NSTAR Electric | | PSNH | | WMECO | |
|-----------------------------------------------------------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|
| | Distribution | Transmission | Distribution | Transmission | Distribution | Transmission | Distribution | Transmission |
| Number of substations owned | 182 | 19 | 133 | 24 | 154 | 16 | 43 | 7 |
| Transformer capacity (in kVa) | 19,605,000 | 3,117,000 | 11,431,000 | 6,728,000 | 5,257,000 | 3,868,000 | 5,191,000 | 67,000 |
| Overhead lines (in circuit miles) | 16,951 | 1,662 | 7,983 | 750 | 11,913 | 1,039 | 3,411 | 481 |
| Capacity range of overhead transmission lines (in kV) | N/A | 69 to 345 | N/A | 115 to 345 | N/A | 115 to 345 | N/A | 69 to 345 |
| Underground lines (distribution in circuit miles and transmission in cable miles) | 6,528 | 136 | 7,354 | 260 | 1,821 | 1 | 1,075 | 10 |
| Capacity range of underground transmission lines (in kV) | N/A | 69 to 345 | N/A | 115 to 345 | N/A | 115 | N/A | 115 |

| | Eversource | CL&P | NSTAR Electric | PSNH | WMECO |
|-------------------------------------------------------|------------|------------|-------------------|-----------|-----------|
| Underground and overhead line transformers in service | 618,387 | 288,352 | 126,353 | 160,848 | 42,834 |
| Aggregate capacity (in kVa) | 35,097,967 | 15,300,765 | 11,429,921 | 6,202,270 | 2,165,011 |

Electric Generating Plants

As of December 31, 2015, PSNH owned the following electric generating plants:

| Type of Plant | Number of Units | Year Installed | Claimed Capability* (kilowatts) |
|-----------------------------|-----------------|----------------|---------------------------------|
| Steam Plants | 5 | 1952-74 | 935,343 |
| Hydro | 20 | 1901-83 | 58,115 |
| Internal Combustion | 5 | 1968-70 | 101,869 |
| Biomass | 1 | 2006 | 42,594 |
| Total PSNH Generating Plant | 31 | | 1,137,921 |

* Claimed capability represents winter ratings as of December 31, 2015. The combined nameplate capacity of the generating plants is approximately 1,200 MW.

As of December 31, 2015, WMECO owned the following electric generating plants:

| Type of Plant | Number of Sites | Year Installed | Claimed Capability** (kilowatts) |
|--------------------------------|-----------------|----------------|----------------------------------|
| Solar Fixed Tilt, Photovoltaic | 3 | 2010-14 | 8,000 |

** Claimed capability represents the direct current nameplate capacity of the plant.

CL&P and NSTAR Electric do not own any electric generating plants.

Natural Gas Distribution System

As of December 31, 2015, Yankee Gas owned 28 active gate stations, 203 district regulator stations, and approximately 3,317 miles of natural gas main pipeline. Yankee Gas also owns a liquefaction and vaporization plant and above ground storage tank with a storage capacity equivalent of 1.2 Bcf of natural gas in Waterbury, Connecticut.

As of December 31, 2015, NSTAR Gas owned 21 active gate stations, 164 district regulator stations, and approximately 3,250 miles of natural gas main pipeline. Hopkinton, another subsidiary of Eversource, owns a satellite vaporization plant and above ground storage tanks in Acushnet, MA. In addition, Hopkinton owns a liquefaction and vaporization plant with above ground storage tanks in Hopkinton, MA. Combined, the two plants' tanks have an aggregate storage capacity equivalent to 3.5 Bcf of natural gas that is provided to NSTAR Gas under contract.

Franchises

CL&P Subject to the power of alteration, amendment or repeal by the General Assembly of Connecticut and subject to certain approvals, permits and consents of public authority and others prescribed by statute, CL&P has, subject to certain exceptions not deemed material, valid franchises free from burdensome restrictions to provide electric transmission and distribution services in the respective areas in which it is now supplying such service.

In addition to the right to provide electric transmission and distribution services as set forth above, the franchises of CL&P include, among others, limited rights and powers, as set forth under Connecticut law and the special acts of the General Assembly constituting its charter, to manufacture, generate, purchase and/or sell electricity at retail, including to provide Standard Service, Supplier of Last Resort service and backup service, to sell electricity at wholesale and to erect and maintain certain facilities on public highways and grounds, all subject to such consents and approvals of public authority and others as may be required by law. The franchises of CL&P include the power of eminent domain. Connecticut law prohibits an electric distribution company from owning or operating generation assets. However, under "An Act Concerning Energy Independence," enacted in 2005, CL&P is permitted to own up to 200 MW of peaking facilities if the PURA determines that such facilities will be more cost effective than other options for mitigating FMCC and Locational Installed Capacity (LICAP) costs. In addition, under "An Act Concerning Electricity and Energy Efficiency," enacted in 2007, an electric distribution company, such as CL&P, is permitted to purchase an existing electric generating plant located in Connecticut that is offered for sale, subject to prior approval from the PURA and a determination by the PURA that such purchase is in the public interest. Finally, Connecticut law also allows CL&P to submit a proposal to the DEEP to build, own or operate one or more generation facilities up to 10 MWs using Class I renewable energy.

NSTAR Electric and NSTAR Gas Through their charters, which are unlimited in time, NSTAR Electric and NSTAR Gas have the right to engage in the business of delivering and selling electricity and natural gas within their respective service territories, and have powers incidental thereto and are entitled to all the rights and privileges of and subject to the duties imposed upon electric and natural gas companies under Massachusetts laws. The locations in public ways for electric transmission and distribution lines and natural gas distribution pipelines are obtained from municipal and other state authorities who, in granting these locations, act as agents for the state. In some cases the actions of these authorities are subject to appeal to the DPU. The rights to these locations are not limited in time and are subject to the action of these authorities and the legislature. Under Massachusetts law, with the exception of municipal-owned utilities, no other entity may provide electric or natural gas delivery service to retail

customers within NSTAR's service territory without the written consent of NSTAR Electric and/or NSTAR Gas. This consent must be filed with the DPU and the municipality so affected.

The Massachusetts restructuring legislation defines service territories as those territories actually served on July 1, 1997 and following municipal boundaries to the extent possible. The restructuring legislation further provides that until terminated by law or otherwise, distribution companies shall have the exclusive obligation to serve all retail customers within their service territories and no other person shall provide distribution service within such service territories without the written consent of such distribution companies. Pursuant to the Massachusetts restructuring legislation, the DPU (then, the Department of Telecommunications and Energy) was required to define service territories for each distribution company, including NSTAR Electric.

The DPU subsequently determined that there were advantages to the exclusivity of service territories and issued a report to the Massachusetts Legislature recommending against, in this regard, any changes to the restructuring legislation.

PSNH The NHPUC, pursuant to statutory requirements, has issued orders granting PSNH exclusive franchises to distribute electricity in the respective areas in which it is now supplying such service.

In addition to the right to distribute electricity as set forth above, the franchises of PSNH include, among others, rights and powers to manufacture, generate, purchase, and transmit electricity, to sell electricity at wholesale to other utility companies and municipalities and to erect and maintain certain facilities on certain public highways and grounds, all subject to such consents and approvals of public authority and others as may be required by law.

PSNH's status as a public utility gives it the ability to petition the NHPUC for the right to exercise eminent domain for its transmission and distribution services in appropriate circumstances.

PSNH is also subject to certain regulatory oversight by the Maine Public Utilities Commission and the Vermont Public Service Board.

WMECO WMECO is authorized by its charter to conduct its electric business in the territories served by it, and has locations in the public highways for transmission and distribution lines. Such locations are granted pursuant to the laws of Massachusetts by the Department of Public Works of Massachusetts or local municipal authorities and are of unlimited duration, but the rights thereby granted are not vested. Such locations are for specific lines only and for extensions of lines in public highways. Further similar locations must be obtained from the Department of Public Works of Massachusetts or the local municipal authorities. In addition, WMECO has been granted easements for its lines in the Massachusetts Turnpike by the Massachusetts Turnpike Authority and pursuant to state laws, has the power of eminent domain.

The Massachusetts restructuring legislation applicable to NSTAR Electric (described above) is also applicable to WMECO.

Yankee Gas Yankee Gas holds valid franchises to sell natural gas in the areas in which Yankee Gas supplies natural gas service, which it acquired either directly or from its predecessors in interest. Generally, Yankee Gas holds franchises to serve customers in areas designated by those franchises as well as in most other areas throughout Connecticut so long as those areas are not occupied and served by another natural gas utility under a valid franchise of its own or are not subject to an exclusive franchise of another natural gas utility. Yankee Gas' franchises are perpetual but remain subject to the power of alteration, amendment or repeal by the General Assembly of the State of Connecticut, the power of revocation by the PURA and certain approvals, permits and consents of public authorities and others prescribed by statute. Generally, Yankee Gas' franchises include, among other rights and powers, the right and power to manufacture, generate, purchase, transmit and distribute natural gas and to erect and maintain certain facilities on public highways and grounds, and the right of eminent domain, all subject to such consents and approvals of public authorities and others as may be required by law.

Item 3. Legal Proceedings

1. Yankee Companies v. U.S. Department of Energy

DOE Phase I Damages - In 1998, the Yankee Companies (CYAPC, YAEC and MYAPC) filed separate complaints against the DOE in the Court of Federal Claims seeking monetary damages resulting from the DOE's failure to begin accepting spent nuclear fuel for disposal by January 31, 1998 pursuant to the terms of the 1983 spent fuel and high level waste disposal contracts between the Yankee Companies and the DOE (DOE Phase I Damages). Phase I covered damages for the period 1998 through 2002. Following multiple appeals and cross-appeals in December 2012, the judgment awarding CYAPC \$39.6 million, YAEC \$38.3 million and MYAPC \$81.7 million became final.

In January 2013, the proceeds from the DOE Phase I Damages Claim were received by the Yankee Companies and transferred to each Yankee Company's respective decommissioning trust.

In June 2013, FERC approved CYAPC, YAEC and MYAPC to reduce rates in their wholesale power contracts through the application of the DOE proceeds for the benefit of customers. Changes to the terms of the wholesale power contracts became effective on July 1, 2013. In accordance with the FERC order, CL&P, NSTAR Electric, PSNH and WMECO began receiving the benefit of the DOE proceeds, and the benefits have been passed on to customers.

On September 17, 2014, in accordance with the MYAPC's three-year refund plan, MYAPC returned a portion of the DOE Phase I Damages proceeds to the member companies, including CL&P, NSTAR Electric, PSNH, and WMECO, in the amount of \$3.2 million, \$1.1 million, \$1.4 million and \$0.8 million, respectively. On September 28, 2015, MYAPC returned the remaining DOE Phase I Damages proceeds to the member companies, including CL&P, NSTAR Electric, PSNH, and WMECO, in the amount of \$2.3 million, \$0.8 million, \$1 million and \$0.6 million, respectively.

DOE Phase II Damages - In December 2007, the Yankee Companies each filed subsequent lawsuits against the DOE seeking recovery of actual damages incurred related to the alleged failure of the DOE to provide for a permanent facility to store spent nuclear fuel generated in years 2001 through 2008 for CYAPC and YAEC and from 2002 through 2008 for MYAPC (DOE Phase II Damages). In November 2013, the court issued a

final judgment awarding CYAPC \$126.3 million, YAEC \$73.3 million, and MYAPC \$35.8 million. On January 14, 2014, the Yankee Companies received a letter from the U.S. Department of Justice stating that the DOE will not appeal the court's final judgment.

In March and April 2014, CYAPC, YAEC and MYAPC received payment of \$126.3 million, \$73.3 million and \$35.8 million, respectively, of the DOE Phase II Damages proceeds and made the required informational filing with FERC in accordance with the process and methodology outlined in the 2013 FERC order. The Yankee Companies returned the DOE Phase II Damages proceeds to the member companies, including CL&P, NSTAR Electric, PSNH, and WMECO, for the benefit of their respective customers, on June 1, 2014. Refunds to CL&P's, NSTAR Electric's, PSNH's and WMECO's customers for these DOE proceeds began in the third quarter of 2014 and all refunds under these proceedings have been disbursed.

DOE Phase III Damages - In August 2013, the Yankee Companies each filed subsequent lawsuits against the DOE seeking recovery of actual damages incurred in the years 2009 through 2012. The trial on this matter was held on June 30 and July 1, 2015, with a post-trial briefing that concluded on October 14, 2015. The parties are awaiting a decision from the court.

2. Conservation Law Foundation v. PSNH

On July 21, 2011, the Conservation Law Foundation (CLF) filed a citizens suit under the provisions of the federal Clean Air Act against PSNH alleging permitting violations at the company's Merrimack generating station. The suit alleges that PSNH failed to have proper permits for replacement of the Unit 2 turbine at Merrimack, installation of activated carbon injection equipment for the unit, and violated a permit condition concerning operation of the electrostatic precipitators at the station. On September 27, 2012, the federal court dismissed portions of CLF's suit pertaining to the installation of activated carbon injection and the electrostatic precipitators. CLF filed an amended complaint on May 28, 2013, related to routine maintenance of the boiler performed in 2008 and 2009. The suit seeks injunctive relief, civil penalties, and costs. CLF has pursued similar claims before the NHPUC, the N.H. Air Resources Council, and the N.H. Site Evaluation Committee, all of which have been denied. PSNH continues to believe this suit is without merit and intends to defend it vigorously. However, at this time the case has been stayed while the State settlement process related to the divestiture of generating assets, including Merrimack Station, continues.

3. Other Legal Proceedings

For further discussion of legal proceedings, see Item 1, *Business*: "- Electric Distribution Segment," "- Electric Transmission Segment," and "- Natural Gas Distribution Segment" for information about various state and federal regulatory and rate proceedings, civil lawsuits related thereto, and information about proceedings relating to power, transmission and pricing issues; "- Nuclear Fuel Storage" for information related to high-level nuclear waste; and "- Other Regulatory and Environmental Matters" for information about proceedings involving surface water and air quality requirements, toxic substances and hazardous waste, electric and magnetic fields, licensing of hydroelectric projects, and other matters. In addition, see Item 1A, *Risk Factors*, for general information about several significant risks.

Item 4. **Mine Safety Disclosures**

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the executive officers of Eversource Energy as of February 16, 2016. All of the Company's officers serve terms of one year and until their successors are elected and qualified:

| Name | Age | Title |
|-----------------------|-----|------------------------------------------------------------------------------|
| Thomas J. May | 68 | Chairman of the Board, President and Chief Executive Officer |
| James J. Judge | 60 | Executive Vice President and Chief Financial Officer |
| Leon J. Olivier | 67 | Executive Vice President-Enterprise Energy Strategy and Business Development |
| David R. McHale | 55 | Executive Vice President and Chief Administrative Officer |
| Werner J. Schweiger | 56 | Executive Vice President and Chief Operating Officer |
| Gregory B. Butler | 58 | Senior Vice President and General Counsel |
| Christine M. Carmody* | 53 | Senior Vice President-Human Resources of Eversource Service |
| Joseph R. Nolan, Jr.* | 52 | Senior Vice President-Corporate Relations of Eversource Service |
| Jay S. Buth | 46 | Vice President, Controller and Chief Accounting Officer |

*Deemed an executive officer of Eversource Energy pursuant to Rule 3b-7 under the Securities Exchange Act of 1934.

Thomas J. May. Mr. May has served as Chairman of the Board of Eversource Energy since October 10, 2013, and as President and Chief Executive Officer and as a Trustee of Eversource Energy; as Chairman and a Director of CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas; and as Chairman, President and Chief Executive Officer and a Director of Eversource Service since April 10, 2012. Mr. May has served as a Director of NSTAR Electric and NSTAR Gas since September 27, 1999. Mr. May previously served as Chairman, President and Chief Executive Officer and a Trustee of NSTAR, and as Chairman, President and Chief Executive Officer of NSTAR Electric and NSTAR Gas until April 10, 2012. He served as Chairman, Chief Executive Officer and a Trustee since NSTAR was formed in 1999, and was elected President in 2002. Mr. May has served as Chairman of the Board of Eversource Energy Foundation, Inc. since October 15, 2013, and as a Director of Eversource Energy Foundation, Inc. since April 10, 2012. He previously served as President of Eversource Energy Foundation, Inc. from October 15, 2013 to September 29, 2014. He has served as a Trustee of the NSTAR Foundation since August 18, 1987.

James J. Judge. Mr. Judge has served as Executive Vice President and Chief Financial Officer of Eversource Energy, CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO, Yankee Gas and Eversource Service and as a Director of CL&P, PSNH, WMECO, Yankee Gas and Eversource Service since April 10, 2012 and of NSTAR Electric and NSTAR Gas since September 27, 1999. Previously, Mr. Judge served as Senior Vice President and Chief Financial Officer of NSTAR, NSTAR Electric and NSTAR Gas from 1999 until April 2012. Mr. Judge has served as Treasurer and as a Director of Eversource Energy Foundation, Inc. since April 10, 2012. He has served as a Trustee of the NSTAR Foundation since December 12, 1995.

Leon J. Olivier. Mr. Olivier has served as Executive Vice President-Enterprise Energy Strategy and Business Development of Eversource Energy since September 2, 2014 and as a Director of Eversource Service since January 17, 2005. Mr. Olivier previously served as Executive Vice President and Chief Operating Officer of Eversource Energy and Eversource Service from May 13, 2008 until September 2, 2014, and as Chief Executive Officer of NSTAR Electric and NSTAR Gas from April 10, 2012 until August 11, 2014, of CL&P, PSNH, WMECO and Yankee Gas from January 15, 2007 to September 29, 2014, and of CL&P from September 10, 2001 to September 29, 2014, and as a Director of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014, of PSNH, WMECO and Yankee Gas from January 17, 2005 to September 29, 2014, and of CL&P from September 10, 2001 to September 29, 2014. Previously, Mr. Olivier served as Executive Vice President-Operations of Eversource Energy from February 13, 2007 to May 12, 2008. He has served as a Director of Eversource Energy Foundation, Inc. since April 1, 2006. Mr. Olivier has served as a Trustee of the NSTAR Foundation since April 10, 2012.

David R. McHale. Mr. McHale has served as Executive Vice President and Chief Administrative Officer of Eversource Energy and Eversource Service since April 10, 2012 and as a Director of Eversource Service since January 1, 2005. Mr. McHale previously served as Executive Vice President and Chief Administrative Officer of CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas from April 10, 2012 to September 29, 2014 and as a Director of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014, of PSNH, WMECO and Yankee Gas from January 1, 2005 to September 29, 2014, and of CL&P from January 15, 2007 to September 29, 2014. Previously, Mr. McHale served as Executive Vice President and Chief Financial Officer of Eversource Energy, CL&P, PSNH, WMECO, Yankee Gas and Eversource Service from January 2009 to April 2012, and as Senior Vice President and Chief Financial Officer of Eversource Energy, CL&P, PSNH, WMECO, Yankee Gas and Eversource Service from January 2005 to December 2008. He has served as a Director of Eversource Energy Foundation, Inc. since January 1, 2005. Mr. McHale has served as a Trustee of the NSTAR Foundation since April 10, 2012.

Werner J. Schweiger. Mr. Schweiger has served as Executive Vice President and Chief Operating Officer of Eversource Energy since September 2, 2014 and of Eversource Service since August 11, 2014, and as President of CL&P since June 2, 2015 and as Chief Executive Officer of CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas since August 11, 2014, and as a Director of Eversource Service, NSTAR Gas and Yankee Gas since September 29, 2014 and of CL&P, PSNH, NSTAR Electric and WMECO since May 28, 2013. He previously served as President-Electric Distribution of Eversource Service from January 16, 2013 until August 11, 2014 and as President of NSTAR Electric from April 10, 2012 until January 16, 2013 and as a Director of NSTAR Electric from November 27, 2012 to January 16, 2013. From February 27, 2002 until April 10, 2012, Mr. Schweiger was Senior Vice President-Operations of NSTAR Electric and NSTAR Gas. Mr. Schweiger has served as a Director of Eversource Energy Foundation, Inc. since September 29, 2014. He has served as a Trustee of the NSTAR Foundation since September 29, 2014.

Gregory B. Butler. Mr. Butler has served as Senior Vice President and General Counsel of Eversource Energy since May 1, 2014, of NSTAR Electric, and NSTAR Gas since April 10, 2012, and of CL&P, PSNH, WMECO, Yankee Gas and Eversource Service since March 9, 2006. Mr. Butler has served as a Director of NSTAR Electric and NSTAR Gas since April 10, 2012, of Eversource Service since November 27, 2012, and of CL&P, PSNH, WMECO and Yankee Gas since April 22, 2009. Mr. Butler previously served as Senior Vice President, General Counsel and Secretary of Eversource Energy from April 10, 2012 until May 1, 2014, and as Senior Vice President and General Counsel of Eversource Energy from December 1, 2005 to April 10, 2012. He has served as a Director of Eversource Energy Foundation, Inc. since December 1, 2002. He has been a Trustee of the NSTAR Foundation since April 10, 2012.

Christine M. Carmody. Ms. Carmody has served as Senior Vice President-Human Resources of Eversource Service since April 10, 2012 and as a Director of Eversource Service since November 27, 2012. Ms. Carmody previously served as Senior Vice President-Human Resources of CL&P, PSNH, WMECO and Yankee Gas from November 27, 2012 to September 29, 2014, and of NSTAR Electric and NSTAR Gas from August 1, 2008 to September 29, 2014, and as a Director of CL&P, PSNH, WMECO and Yankee Gas from April 10, 2012 to September 29, 2014 and of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014. Previously, Ms. Carmody served as Vice President-Organizational Effectiveness of NSTAR, NSTAR Electric and NSTAR Gas from June 2006 to August 2008. Ms. Carmody has served as a Director of Eversource Energy Foundation, Inc. since April 10, 2012. She has served as a Trustee of the NSTAR Foundation since August 1, 2008.

Joseph R. Nolan, Jr. Mr. Nolan has served as Senior Vice President-Corporate Relations of Eversource Service since April 10, 2012 and as a Director of Eversource Service since November 27, 2012. Mr. Nolan previously served as Senior Vice President-Corporate Relations of NSTAR Electric and NSTAR Gas from April 10, 2012 to September 29, 2014, and of CL&P, PSNH, WMECO and Yankee Gas from November 27, 2012 to September 29, 2014, as a Director of CL&P, PSNH, WMECO and Yankee Gas from April 10, 2012 to September 29, 2014 and of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014. Previously, Mr. Nolan served as Senior Vice President-Customer & Corporate Relations of NSTAR, NSTAR Electric and NSTAR Gas from 2006 until April 10, 2012. Mr. Nolan has served as a Director of Eversource Energy Foundation, Inc. since April 10, 2012, and has served as Executive Director of Eversource Energy Foundation, Inc. since October 15, 2013. He has served as a Trustee of the NSTAR Foundation since October 1, 2000.

Jay S. Buth. Mr. Buth has served as Vice President, Controller and Chief Accounting Officer of Eversource Energy, CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO, Yankee Gas and Eversource Service since April 10, 2012. Previously, Mr. Buth served as Vice President-Accounting and Controller of Eversource Energy, CL&P, PSNH, WMECO, Yankee Gas and Eversource Service from June 2009 until April 10, 2012. From June 2006 through January 2009, Mr. Buth served as the Vice President and Controller for New Jersey Resources Corporation, an energy services holding company that provides natural gas and wholesale energy services, including transportation, distribution and asset management.

PART II

Item 5. Market for the Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market Information and (c) Dividends

Eversource. Our common shares are listed on the New York Stock Exchange. The ticker symbol is "ES." The high and low sales prices of our common shares and the dividends declared, for the past two years, by quarter, are shown below.

| Year | Quarter | High | Low | Dividends Declared |
|------|---------|----------|----------|--------------------|
| 2015 | First | \$ 56.83 | \$ 48.54 | \$ 0.4175 |
| | Second | 51.42 | 45.20 | 0.4175 |
| | Third | 52.15 | 44.64 | 0.4175 |
| | Fourth | 52.85 | 48.18 | 0.4175 |
| 2014 | First | \$ 45.69 | \$ 41.28 | \$ 0.3925 |
| | Second | 47.60 | 44.28 | 0.3925 |
| | Third | 47.37 | 41.92 | 0.3925 |
| | Fourth | 56.66 | 44.37 | 0.3925 |

Information with respect to dividend restrictions for us, CL&P, NSTAR Electric, PSNH, and WMECO is contained in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, under the caption "Liquidity" and Item 8, *Financial Statements and Supplementary Data*, in the *Combined Notes to Financial Statements*, within this Annual Report on Form 10-K.

There is no established public trading market for the common stock of CL&P, NSTAR Electric, PSNH and WMECO. All of the common stock of CL&P, NSTAR Electric, PSNH and WMECO is held solely by Eversource.

Common stock dividends approved and paid to Eversource during the year were as follows:

| (Millions of Dollars) | For the Years Ended December 31, | |
|-----------------------|----------------------------------|----------|
| | 2015 | 2014 |
| CL&P | \$ 196.0 | \$ 171.2 |
| NSTAR Electric | 198.0 | 253.0 |
| PSNH | 106.0 | 66.0 |
| WMECO | 37.2 | 60.0 |

(b) Holders

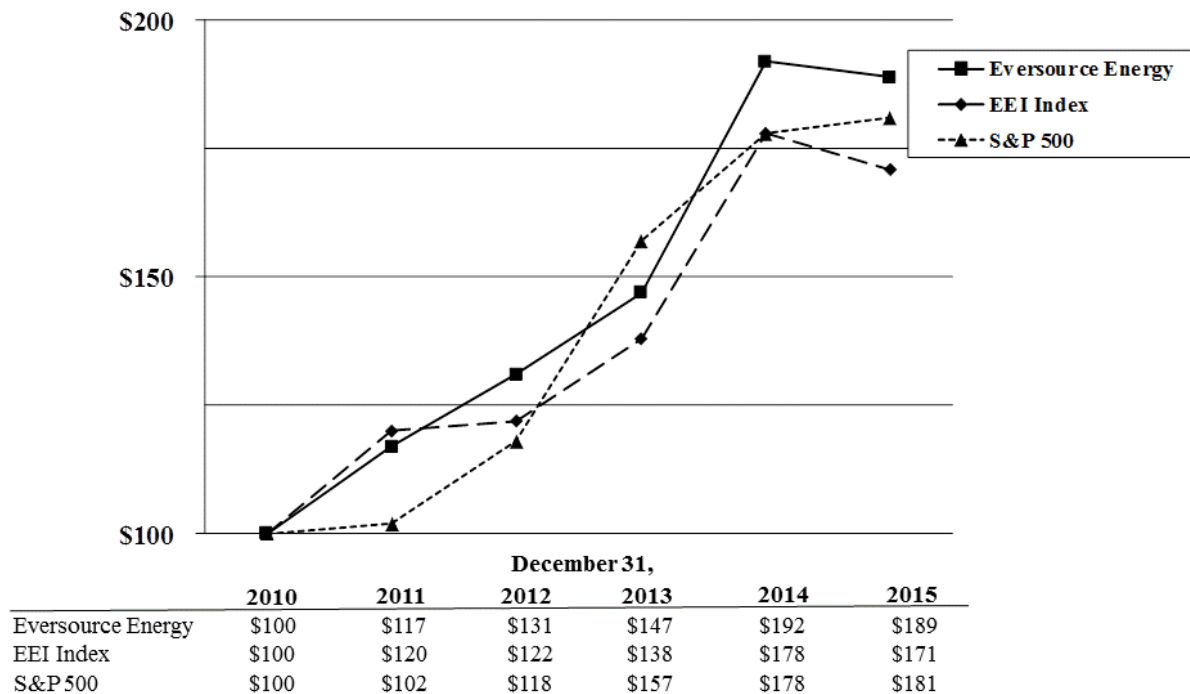
As of January 31, 2016, there were 42,493 registered common shareholders of our company on record. As of the same date, there were a total of 317,191,249 common shares issued.

(d) Securities Authorized for Issuance Under Equity Compensation Plans

For information regarding securities authorized for issuance under equity compensation plans, see Item 12, *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*, included in this Annual Report on Form 10-K.

The performance graph below illustrates a five-year comparison of cumulative total returns based on an initial investment of \$100 in 2010 in Eversource Energy common stock, as compared with the S&P 500 Stock Index and the EEI Index for the period 2011 through 2015, assuming all dividends are reinvested.

Total Shareholder Return



Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table discloses purchases of our common shares made by us or on our behalf for the periods shown below. The common shares purchased consist of open market purchases made by the Company or an independent agent. These share transactions related to shares awarded under the Company's Incentive Plan and Dividend Reinvestment Plan and matching contributions under the Eversource 401k Plan.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans and Programs (at month end) |
|--------------------------------|----------------------------------|------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| October 1 - October 31, 2015 | 117,887 | \$ 50.33 | - | - |
| November 1 - November 30, 2015 | 3,178 | 50.76 | - | - |
| December 1 - December 31, 2015 | 6,001 | 51.17 | - | - |
| Total | 127,066 | \$ 50.38 | - | - |

Item 6. Selected Consolidated Financial Data

Eversource Selected Consolidated Financial Data (Unaudited)

(Thousands of Dollars, except percentages and common share information)

| | 2015 | 2014 | 2013 | 2012 ^(a) | 2011 |
|-------------------------------------------------------------------|---------------|---------------|---------------|---------------------|---------------|
| Balance Sheet Data: | | | | | |
| Property, Plant and Equipment, Net | \$ 19,892,441 | \$ 18,647,041 | \$ 17,576,186 | \$ 16,605,010 | \$ 10,403,065 |
| Total Assets ^(b) | 30,580,309 | 29,740,387 | 27,760,315 | 28,269,780 | 15,617,627 |
| Total Capitalization ^{(b) (c) (d)} | 19,542,240 | 18,946,395 | 18,042,052 | 17,323,068 | 9,048,882 |
| Obligations Under Capital Leases ^(c) | 8,222 | 9,434 | 10,744 | 11,071 | 12,358 |
| Income Statement Data: | | | | | |
| Operating Revenues | \$ 7,954,827 | \$ 7,741,856 | \$ 7,301,204 | \$ 6,273,787 | \$ 4,465,657 |
| Net Income | 886,004 | 827,065 | 793,689 | 533,077 | 400,513 |
| Net Income Attributable to Noncontrolling Interests | 7,519 | 7,519 | 7,682 | 7,132 | 5,820 |
| Net Income Attributable to Common Shareholders | \$ 878,485 | \$ 819,546 | \$ 786,007 | \$ 525,945 | \$ 394,693 |
| Common Share Data: | | | | | |
| Net Income Attributable to Common Shareholders: | | | | | |
| Basic Earnings Per Common Share | \$ 2.77 | \$ 2.59 | \$ 2.49 | \$ 1.90 | \$ 2.22 |
| Diluted Earnings Per Common Share | \$ 2.76 | \$ 2.58 | \$ 2.49 | \$ 1.89 | \$ 2.22 |
| Weighted Average Common Shares Outstanding: | | | | | |
| Basic | 317,336,881 | 316,136,748 | 315,311,387 | 277,209,819 | 177,410,167 |
| Diluted | 318,432,687 | 317,417,414 | 316,211,160 | 277,993,631 | 177,804,568 |
| Dividends Declared Per Common Share | \$ 1.67 | \$ 1.57 | \$ 1.47 | \$ 1.32 | \$ 1.10 |
| Market Price - Closing (high) ^(e) | \$ 54.52 | \$ 56.15 | \$ 45.33 | \$ 40.57 | \$ 36.31 |
| Market Price - Closing (low) ^(e) | \$ 44.63 | \$ 41.52 | \$ 38.67 | \$ 33.53 | \$ 30.46 |
| Market Price - Closing (end of year) ^(e) | \$ 51.07 | \$ 53.52 | \$ 42.39 | \$ 39.08 | \$ 36.07 |
| Book Value Per Common Share (end of year) | \$ 32.64 | \$ 31.47 | \$ 30.49 | \$ 29.41 | \$ 22.65 |
| Tangible Book Value Per Common Share (end of year) ^(f) | \$ 21.54 | \$ 20.37 | \$ 19.32 | \$ 18.21 | \$ 21.03 |
| Rate of Return Earned on Average Common Equity (%) ^(g) | 8.7 | 8.4 | 8.3 | 7.9 | 10.1 |
| Market-to-Book Ratio (end of year) ^(h) | 1.6 | 1.7 | 1.4 | 1.3 | 1.6 |
| Capitalization: | | | | | |
| Total Equity | 53 % | 53 % | 53 % | 53 % | 44 % |
| Preferred Stock Not Subject to Mandatory Redemption | 1 | 1 | 1 | 1 | 1 |
| Long-Term Debt ^{(b) (c) (d)} | 46 | 46 | 46 | 46 | 55 |
| | 100 % | 100 % | 100 % | 100 % | 100 % |

CL&P Selected Financial Data (Unaudited)

(Thousands of Dollars)

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Operating Revenues | \$ 2,802,675 | \$ 2,692,582 | \$ 2,442,341 | \$ 2,407,449 | \$ 2,548,387 |
| Net Income | 299,360 | 287,754 | 279,412 | 209,725 | 250,164 |
| Cash Dividends on Common Stock | 196,000 | 171,200 | 151,999 | 100,486 | 243,218 |
| Property, Plant and Equipment, Net | 7,156,809 | 6,809,664 | 6,451,259 | 6,152,959 | 5,827,384 |
| Total Assets ^(b) | 9,592,957 | 9,344,400 | 8,965,906 | 9,127,602 | 8,775,451 |
| Long-Term Debt ^{(b) (c)} | 2,763,682 | 2,826,243 | 2,726,613 | 2,848,303 | 2,567,808 |
| Preferred Stock Not Subject to Mandatory Redemption | 116,200 | 116,200 | 116,200 | 116,200 | 116,200 |
| Obligations Under Capital Leases ^(c) | 7,624 | 8,439 | 9,309 | 9,960 | 10,715 |

(a) The 2012 results include the operations of NSTAR beginning April 10, 2012.

(b) The 2011 through 2014 amounts reflect reclassifications due to the adoption of new accounting guidance that changed the balance sheet presentation of debt issuance costs. Unamortized debt issuance costs are now presented as a direct reduction from the carrying amount of the debt liability rather than as a deferred cost. Prior year amounts were retrospectively adjusted to conform to the current year presentation. See Note 1C, "Summary of Significant Accounting Policies – Accounting Standards," for further information.

(c) Includes portions due within one year.

(d) Excludes RRBs.

(e) Market price information reflects closing prices as reflected by the New York Stock Exchange.

(f) Common Shareholders' Equity adjusted for goodwill and intangibles divided by total common shares outstanding.

(g) Net Income Attributable to Common Shareholders divided by average Common Shareholders' Equity.

(h) The closing market price divided by the book value per share.

See the *Combined Notes to Consolidated Financial Statements* in this Annual Report on Form 10-K for a description of any accounting changes materially affecting the comparability of the information reflected in the tables above.

Eversource Selected Consolidated Sales Statistics

| | 2015 | 2014 | 2013 | 2012 (a) | 2011 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenues: (Thousands) | | | | | |
| Residential | \$ 3,608,155 | \$ 3,288,313 | \$ 3,073,181 | \$ 2,731,951 | \$ 2,091,270 |
| Commercial | 2,476,686 | 2,471,440 | 2,387,535 | 1,604,661 | 1,236,374 |
| Industrial | 326,564 | 348,698 | 339,917 | 753,974 | 252,878 |
| Wholesale | 411,749 | 447,899 | 486,515 | 357,223 | 350,413 |
| Other and Eliminations | 110,013 | 97,090 | 56,547 | 130,137 | 47,485 |
| Total Electric | 6,933,167 | 6,653,440 | 6,343,695 | 5,577,946 | 3,978,420 |
| Natural Gas | 993,662 | 1,002,880 | 855,601 | 572,857 | 430,799 |
| Total - Regulated Companies | 7,926,829 | 7,656,320 | 7,199,296 | 6,150,803 | 4,409,219 |
| Other and Eliminations | 27,998 | 85,536 | 101,908 | 122,984 | 56,438 |
| Total | \$ 7,954,827 | \$ 7,741,856 | \$ 7,301,204 | \$ 6,273,787 | \$ 4,465,657 |

Regulated Companies - Sales Volumes:

Electric (GWh)

| | | | | | |
|----------------------------------|---------|---------|--------|--------|--------|
| Residential | 21,441 | 21,317 | 21,896 | 19,719 | 14,766 |
| Commercial | 27,598 | 27,449 | 27,787 | 24,537 | 14,628 |
| Industrial | 5,577 | 5,676 | 5,648 | 5,462 | 4,418 |
| Wholesale | 3,215 | 3,018 | 855 | 2,154 | 1,020 |
| Total Electric | 57,831 | 57,460 | 56,186 | 51,872 | 34,832 |
| Natural Gas (million cubic feet) | 102,999 | 104,191 | 98,258 | 69,894 | 46,880 |

Regulated Companies - Customers:

(Average)

| | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Residential | 2,747,679 | 2,734,047 | 2,718,727 | 2,711,407 | 1,710,342 |
| Commercial | 374,552 | 373,511 | 371,897 | 370,389 | 199,240 |
| Industrial | 7,868 | 8,016 | 8,109 | 8,279 | 7,083 |
| Total Electric | 3,130,099 | 3,115,574 | 3,098,733 | 3,090,075 | 1,916,665 |
| Natural Gas | 506,175 | 499,186 | 493,563 | 483,770 | 207,753 |
| Total - Regulated Companies | 3,636,274 | 3,614,760 | 3,592,296 | 3,573,845 | 2,124,418 |

(a) The 2012 results include the operations of NSTAR beginning April 10, 2012.

CL&P Selected Sales Statistics

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenues: (Thousands) | | | | | |
| Residential | \$ 1,641,165 | \$ 1,474,181 | \$ 1,294,160 | \$ 1,263,845 | \$ 1,345,290 |
| Commercial | 841,093 | 879,343 | 780,585 | 732,620 | 758,145 |
| Industrial | 129,544 | 149,220 | 129,557 | 126,165 | 126,783 |
| Wholesale | 128,169 | 146,787 | 219,367 | 214,807 | 278,751 |
| Other | 62,704 | 43,051 | 18,672 | 70,012 | 39,418 |
| Total | \$ 2,802,675 | \$ 2,692,582 | \$ 2,442,341 | \$ 2,407,449 | \$ 2,548,387 |
| Sales Volumes: (GWh) | | | | | |
| Residential | 10,094 | 10,026 | 10,314 | 9,978 | 10,092 |
| Commercial | 9,635 | 9,643 | 9,770 | 9,705 | 9,809 |
| Industrial | 2,342 | 2,377 | 2,320 | 2,426 | 2,414 |
| Wholesale | 712 | 736 | 851 | 1,155 | 1,592 |
| Total | 22,783 | 22,782 | 23,255 | 23,264 | 23,907 |
| Customers: (Average) | | | | | |
| Residential | 1,117,778 | 1,111,467 | 1,105,417 | 1,103,397 | 1,100,740 |
| Commercial | 109,339 | 109,093 | 108,735 | 108,589 | 108,235 |
| Industrial | 3,163 | 3,213 | 3,247 | 3,301 | 3,331 |
| Total | 1,230,280 | 1,223,773 | 1,217,399 | 1,215,287 | 1,212,306 |

EVERSOURCE ENERGY AND SUBSIDIARIES

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related combined notes included in this combined Annual Report on Form 10-K. References in this Annual Report on Form 10-K to "Eversource," the "Company," "we," "us," and "our" refer to Eversource Energy and its consolidated subsidiaries. All per share amounts are reported on a diluted basis. The consolidated financial statements of Eversource, NSTAR Electric and PSNH and the financial statements of CL&P and WMECO are herein collectively referred to as the "financial statements."

On April 30, 2015, the Company's legal name was changed from Northeast Utilities to Eversource Energy. CL&P, NSTAR Electric, PSNH and WMECO are each doing business as Eversource Energy.

Refer to the Glossary of Terms included in this combined Annual Report on Form 10-K for abbreviations and acronyms used throughout this *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

The only common equity securities that are publicly traded are common shares of Eversource. The earnings and EPS of each business discussed below do not represent a direct legal interest in the assets and liabilities of such business but rather represent a direct interest in our assets and liabilities as a whole. EPS by business is a financial measure not recognized under GAAP that is calculated by dividing the Net Income Attributable to Common Shareholders of each business by the weighted average diluted Eversource common shares outstanding for the period. The discussion below also includes non-GAAP financial measures referencing our 2015, 2014 and 2013 earnings and EPS excluding certain integration costs incurred by Eversource parent and our Regulated companies. We use these non-GAAP financial measures to evaluate and to provide details of earnings by business and to more fully compare and explain our 2015, 2014 and 2013 results without including the impact of these items. Due to the nature and significance of these items on Net Income Attributable to Common Shareholders, we believe that the non-GAAP presentation is more representative of our financial performance and provides additional and useful information to readers of this report in analyzing historical and future performance by business. These non-GAAP financial measures should not be considered as an alternative to reported Net Income Attributable to Common Shareholders or EPS determined in accordance with GAAP as an indicator of operating performance.

Reconciliations of the above non-GAAP financial measures to the most directly comparable GAAP measures of consolidated diluted EPS and Net Income Attributable to Common Shareholders are included under "Financial Condition and Business Analysis – Overview – Consolidated" and "Financial Condition and Business Analysis – Overview – Regulated Companies" in *Management's Discussion and Analysis of Financial Condition and Results of Operations*, herein.

Financial Condition and Business Analysis

Executive Summary

Results:

- We earned \$878.5 million, or \$2.76 per share, in 2015, compared with \$819.5 million, or \$2.58 per share, in 2014. Excluding integration costs, we earned \$894.3 million, or \$2.81 per share, in 2015 and \$841.6 million, or \$2.65 per share, in 2014.
- Our electric distribution segment, which includes generation, earned \$507.9 million, or \$1.59 per share, in 2015, compared with \$462.4 million, or \$1.45 per share, in 2014. Our electric transmission segment earned \$304.5 million, or \$0.96 per share, in 2015, compared with \$295.4 million, or \$0.93 per share, in 2014. Our natural gas distribution segment earned \$72.4 million, or \$0.23 per share, in 2015, compared with \$72.3 million, or \$0.23 per share, in 2014. The 2015 electric and natural gas distribution results exclude \$0.8 million of after-tax integration costs.
- Eversource parent and other companies earned \$9.5 million, or \$0.03 per share, in 2015, compared with \$11.5 million, or \$0.04 per share, in 2014. The 2015 and 2014 results exclude \$15 million, or \$0.05 per share, and \$22.1 million, or \$0.07 per share, respectively, of after-tax integration costs.

Liquidity:

- Cash flows provided by operating activities totaled \$1.4 billion in 2015, compared with \$1.6 billion in 2014. Investments in property, plant and equipment totaled \$1.7 billion in 2015 and \$1.6 billion in 2014. Cash and cash equivalents totaled \$23.9 million as of December 31, 2015, compared with \$38.7 million as of December 31, 2014.
- In 2015, we issued approximately \$1.23 billion of new long-term debt consisting of \$450 million by Eversource parent, \$350 million by CL&P, \$250 million by NSTAR Electric, \$100 million by NSTAR Gas, and \$75 million by Yankee Gas. In 2015, we repaid \$212 million of existing long-term debt consisting of \$162 million by CL&P and \$50 million by WMECO.
- In 2015, we paid cash dividends on common shares of \$529.8 million, compared with \$475.2 million in 2014. On February 3, 2016, our Board of Trustees approved a common share dividend payment of \$0.445 per share, payable on March 31, 2016 to shareholders of record as of March 2, 2016. The 2016 dividend represented an increase of 6.6 percent over the dividend paid in December 2015, and is the equivalent to dividends on common shares of approximately \$565 million on an annual basis.

- We project to make capital expenditures of approximately \$9.2 billion from 2016 through 2019. Of the \$9.2 billion, we expect to invest approximately \$4.9 billion in our electric and natural gas distribution segments and \$3.9 billion in our electric transmission segment. In addition, we project to invest approximately \$0.4 billion in information technology and facilities upgrades and enhancements. These projections do not include capital investments related to Access Northeast or Clean Energy Connect.

Strategic, Legislative, Regulatory, Policy and Other Items:

- On December 18, 2015, the New Hampshire Site Evaluation Committee (NH SEC) accepted NPT's application as complete allowing the formal siting process to move forward. The project is expected to be operational in the first half of 2019. On January 28, 2016, NPT bid into the three-state Clean Energy RFP process.
- The Clean Energy Connect Project is a planned transmission, wind and hydro generation project that we plan to co-develop with experienced renewable generation companies. On January 28, 2016, the Clean Energy Connect project was bid into the three-state Clean Energy RFP process. Our investment, should the Clean Energy Connect Project be selected in the RFP process, is currently estimated to be at least \$400 million and will consist of the Massachusetts portion of a new 25-mile, 345 kV transmission line with a 600 MW capacity.
- On January 28, 2016, the DPU approved NSTAR Electric's, WMECO's, and NSTAR Gas' three-year electric and natural gas energy efficiency plan, which was jointly developed with other Massachusetts electric distribution companies (EDCs) and natural gas distribution companies. On December 31, 2015, DEEP approved CL&P's and Yankee Gas' three-year electric and natural gas C&LM plan, which was jointly developed with other Connecticut EDCs and natural gas distribution companies. These electric and natural gas energy efficiency and C&LM plans include the ability to earn performance incentives as well as recover LBR for NSTAR Electric until it is operating under a decoupled rate structure.
- On January 7, 2015, the DPU issued an order concluding that NSTAR Electric had removed energy-related bad debt costs from base distribution rates effective January 1, 2006. As a result of the DPU order, in the first quarter of 2015 NSTAR Electric increased its regulatory assets and reduced its operations and maintenance expense by \$24.2 million for energy-related bad debt costs through 2014, resulting in after-tax earnings of \$14.5 million. NSTAR Electric filed for recovery of the energy-related bad debt costs regulatory asset from customers and on November 20, 2015, the DPU approved NSTAR Electric's proposed rate increase to recover these costs over a 12-month period, beginning January 1, 2016.

Overview

Consolidated: A summary of our earnings by business, which also reconciles the non-GAAP financial measures of consolidated non-GAAP earnings and EPS, as well as EPS by business, to the most directly comparable GAAP measures of consolidated Net Income Attributable to Common Shareholders and diluted EPS, is as follows:

| | For the Years Ended December 31, | | | | | |
|-------------------------------------------------------|----------------------------------|-----------|----------|-----------|----------|-----------|
| | 2015 | | 2014 | | 2013 | |
| | Amount | Per Share | Amount | Per Share | Amount | Per Share |
| (Millions of Dollars, Except Per Share Amounts) | | | | | | |
| Net Income Attributable to Common Shareholders (GAAP) | \$ 878.5 | \$ 2.76 | \$ 819.5 | \$ 2.58 | \$ 786.0 | \$ 2.49 |
| Regulated Companies | \$ 884.8 | \$ 2.78 | \$ 830.1 | \$ 2.61 | \$ 774.9 | \$ 2.45 |
| Eversource Parent and Other Companies | 9.5 | 0.03 | 11.5 | 0.04 | 24.9 | 0.08 |
| Non-GAAP Earnings | 894.3 | 2.81 | 841.6 | 2.65 | 799.8 | 2.53 |
| Integration Costs (after-tax) | (15.8) | (0.05) | (22.1) | (0.07) | (13.8) | (0.04) |
| Net Income Attributable to Common Shareholders (GAAP) | \$ 878.5 | \$ 2.76 | \$ 819.5 | \$ 2.58 | \$ 786.0 | \$ 2.49 |

The 2015 and 2014 integration costs are associated with our branding efforts and severance costs.

Regulated Companies: Our Regulated companies consist of the electric distribution, electric transmission, and natural gas distribution segments. Generation activities of PSNH and WMECO are included in our electric distribution segment. A summary of our segment earnings and EPS is as follows:

| | For the Years Ended December 31, | | | | | |
|-------------------------------------------------|----------------------------------|-----------|----------|-----------|----------|-----------|
| | 2015 | | 2014 | | 2013 | |
| | Amount | Per Share | Amount | Per Share | Amount | Per Share |
| (Millions of Dollars, Except Per Share Amounts) | | | | | | |
| Electric Distribution | \$ 507.9 | \$ 1.59 | \$ 462.4 | \$ 1.45 | \$ 427.0 | \$ 1.35 |
| Electric Transmission | 304.5 | 0.96 | 295.4 | 0.93 | 287.0 | 0.91 |
| Natural Gas Distribution | 72.4 | 0.23 | 72.3 | 0.23 | 60.9 | 0.19 |
| Non-GAAP Earnings | 884.8 | 2.78 | 830.1 | 2.61 | 774.9 | 2.45 |
| Integration Costs (after-tax) | (0.8) | - | - | - | - | - |
| Net Income - Regulated Companies | \$ 884.0 | \$ 2.78 | \$ 830.1 | \$ 2.61 | \$ 774.9 | \$ 2.45 |

The 2015 Regulated companies' integration costs include severance in connection with cost saving initiatives.

Excluding integration costs, our electric distribution segment earnings increased \$45.5 million in 2015, as compared to 2014, due primarily to the impact of the December 1, 2014 CL&P base distribution rate increase, the \$27.5 million favorable earnings impact related to the resolution of NSTAR Electric's basic service bad debt adder and the settlement with the Massachusetts Attorney General on eleven open dockets covering the CPSL program filings and the recovery of LBR related to 2009 through 2011 energy efficiency programs at NSTAR Electric, an increase in the recovery of LBR at NSTAR Electric related to 2015 energy efficiency programs, and higher retail sales volumes at NSTAR Electric and PSNH. Partially offsetting these favorable earnings impacts were a higher effective tax rate in 2015, higher property taxes, higher depreciation expense and a \$5 million contribution in 2015 to create a clean energy fund in connection with the PSNH divestiture agreement.

Our electric transmission segment earnings increased \$9.1 million in 2015, as compared to 2014, due primarily to the result of lower reserve charges associated with the FERC ROE complaint proceedings of \$12.4 million recorded in 2015, as compared to \$22.4 million recorded in 2014, and a higher transmission rate base as a result of an increased investment in our transmission infrastructure. These favorable earnings impacts were partially offset by a higher effective tax rate in 2015.

Our natural gas distribution segment earnings increased \$0.1 million in 2015, as compared to 2014. Our natural gas distribution segment earnings were favorably impacted by a decrease in operations and maintenance costs primarily attributable to lower employee-related expenses, a lower effective tax rate in 2015, and additional natural gas heating customers. These favorable earnings impacts were offset by a decrease in firm natural gas sales volumes driven by record warm weather in the fourth quarter of 2015, as compared to 2014, higher depreciation expense and higher property taxes.

Eversource Parent and Other Companies: Excluding the impact of integration costs, Eversource parent and other companies had earnings of \$9.5 million in 2015, compared with earnings of \$11.5 million in 2014. The earnings decrease was due primarily to a higher effective tax rate at Eversource parent in 2015, as compared to 2014, higher interest expense at Eversource parent as a result of new debt issuances in January 2015, and reduced earnings in 2015 from Eversource's unregulated electrical contracting business, which was sold in April 2015. These unfavorable earnings impacts were partially offset by a reduction in operations and maintenance costs.

Electric and Natural Gas Sales Volumes: Weather, fluctuations in energy supply costs, conservation measures (including utility-sponsored energy efficiency programs), and economic conditions affect customer energy usage. Industrial sales volumes are less sensitive to temperature variations than residential and commercial sales volumes. In our service territories, weather impacts electric sales volumes during the summer and both electric and natural gas sales volumes during the winter; however, natural gas sales volumes are more sensitive to temperature variations than are electric sales volumes. Customer heating or cooling usage may not directly correlate with historical levels or with the level of degree-days that occur.

Fluctuations in retail electric sales volumes at NSTAR Electric and PSNH impact earnings ("Traditional" in the table below). For CL&P (effective December 1, 2014) and WMECO, fluctuations in retail electric sales volumes do not impact earnings due to their respective regulatory commission approved revenue decoupling mechanisms ("Decoupled" in the table below). These distribution revenues are decoupled from their customer sales volumes, which breaks the relationship between sales volumes and revenues recognized. CL&P and WMECO reconcile their annual base distribution rate recovery amounts to their respective pre-established levels of baseline distribution delivery service revenues. Any difference between the allowed level of distribution revenue and the actual amount incurred during a 12-month period is adjusted through rates in the following period.

A summary of our retail electric GWh sales volumes and our firm natural gas sales volumes in million cubic feet and percentage changes is as follows:

| | For the Year Ended December 31, 2015 Compared to 2014 | | |
|------------------------------------------------|-------------------------------------------------------|---------|--------------------------------|
| | Sales Volumes (GWh) | | Percentage Increase/(Decrease) |
| | 2015 | 2014 | |
| Electric | | | |
| Traditional: | | | |
| Residential | 9,882 | 9,798 | 0.9% |
| Commercial | 16,486 | 16,340 | 0.9% |
| Industrial | 2,614 | 2,673 | (2.2)% |
| Total - Traditional | 28,982 | 28,811 | 0.6% |
| Decoupled: | | | |
| Residential | 11,559 | 11,519 | 0.3% |
| Commercial | 11,112 | 11,109 | - % |
| Industrial | 2,963 | 3,003 | (1.3)% |
| Total - Decoupled | 25,634 | 25,631 | - % |
| Total Sales Volumes | 54,616 | 54,442 | 0.3% |
| | | | |
| | For the Year Ended December 31, 2015 Compared to 2014 | | |
| | Sales Volumes (million cubic feet) | | Percentage Increase/(Decrease) |
| | 2015 | 2014 | |
| Firm Natural Gas | | | |
| Residential | 38,455 | 38,969 | (1.3)% |
| Commercial | 43,006 | 42,977 | 0.1 % |
| Industrial | 21,538 | 22,245 | (3.2)% |
| Total Sales Volumes | 102,999 | 104,191 | (1.1)% |
| Total, Net of Special Contracts ⁽¹⁾ | 98,458 | 99,500 | (1.0)% |

(1) Special contracts are unique to the natural gas distribution customers who take service under such an arrangement and generally specify the amount of distribution revenue to be paid to Yankee Gas regardless of the customers' usage.

Our 2015 retail electric sales volumes at our electric utilities with a traditional rate structure (NSTAR Electric and PSNH) were slightly higher, as compared to 2014, due primarily to the impact of colder winter weather experienced in the first quarter of 2015 and warmer weather in the third quarter of 2015, partially offset by milder winter weather in the fourth quarter of 2015 throughout those service territories. In 2015, heating degree days were 1 percent lower in the Boston metropolitan area, and 5 percent lower in New Hampshire, as compared to 2014. Cooling degree days in 2015 were 19 percent higher in the Boston metropolitan area and 57 percent higher in New Hampshire, as compared to 2014. Weather-normalized retail electric sales volumes were relatively unchanged in 2015, as compared to 2014. Improved economic conditions were offset by an increase in customer conservation efforts resulting from company-sponsored energy efficiency programs.

Our firm natural gas sales volumes are subject to many of the same influences as our retail electric sales volumes. In addition, they have benefited from customer growth in both of our natural gas distribution companies. In 2015, consolidated firm natural gas sales volumes were lower, as compared to 2014. The 2015 firm natural gas sales volumes were negatively impacted by record warm weather in the fourth quarter of 2015, when compared to 2014, partially offset by colder winter weather in the first quarter of 2015, as compared to 2014, throughout our natural gas service territories. Weather-normalized Eversource consolidated firm natural gas sales volumes increased 2.5 percent in 2015, as compared to 2014, due primarily to improved economic conditions as well as residential and commercial customer growth, partially offset by customer conservation efforts resulting from company-sponsored energy efficiency programs. On October 30, 2015, the DPU issued its order in the NSTAR Gas distribution rate case, which included the establishment of a revenue decoupling mechanism beginning January 1, 2016.

Prior to December 1, 2014, CL&P earned LBR related to reductions in sales volume as a result of successful energy efficiency programs. LBR was recovered from retail customers through the FMCC. Effective December 1, 2014, CL&P no longer earns LBR due to its revenue decoupling mechanism. NSTAR Electric recognized LBR of \$60.6 million in 2015 and \$39.9 million in 2014. On January 28, 2016, NSTAR Electric received approval of a three-year energy efficiency plan, which includes recovery of LBR until it is operating under a decoupled rate structure.

For further information, see "Regulatory Developments and Rate Matters - Massachusetts - NSTAR Electric, WMECO and NSTAR Gas Energy Efficiency Plan" and "Regulatory Developments and Rate Matters - Massachusetts - NSTAR Gas Distribution Rates" in this *Management's Discussion and Analysis of Financial Conditions and Results of Operations*.

Future Outlook

2016 EPS Guidance: We currently project 2016 earnings of between \$2.90 per diluted share and \$3.05 per diluted share.

Liquidity

Consolidated: Cash and cash equivalents totaled \$23.9 million as of December 31, 2015, compared with \$38.7 million as of December 31, 2014.

Long-Term Debt Issuances and Repayments: On January 15, 2015, Eversource parent issued \$150 million of 1.60 percent Series G Senior Notes, due to mature in 2018, and \$300 million of 3.15 percent Series H Senior Notes, due to mature in 2025.

On May 20, 2015 and December 1, 2015, CL&P issued \$300 million and \$50 million, respectively, of 4.15 percent 2015 Series A First and Refunding Mortgage Bonds due to mature in 2045.

On September 10, 2015, Yankee Gas issued \$75 million of 3.35 percent 2015 Series M First Mortgage Bonds due to mature in 2025.

On November 18, 2015, NSTAR Electric issued \$250 million of 3.25 percent debentures, due to mature in 2025.

On December 8, 2015, NSTAR Gas issued \$100 million of 4.35 percent Series O First Mortgage Bonds due to mature in 2045.

The proceeds of all debt issuances, net of issuance costs, were used to repay short-term borrowings and fund capital expenditures and working capital.

On April 1, 2015, CL&P repaid at maturity the \$100 million 5.00 percent 2005 Series A First and Refunding Mortgage Bonds and also redeemed the \$62 million 1996A Series 1.55 percent PCRBs that were subject to mandatory tender, using short term borrowings.

On August 3, 2015, WMECO repaid at maturity the \$50 million 5.24 percent Series C Senior Notes, using short-term borrowings.

Long-Term Debt Issuance Authorizations: On November 25, 2015, PURA approved Yankee Gas' request to extend the authorization period for issuance of up to \$125 million in long-term debt from December 31, 2015 to December 31, 2016. On December 4, 2015, the DPU authorized WMECO to issue up to \$100 million in long-term debt for the period through December 31, 2016. On December 4, 2015, the DPU approved NSTAR Electric's request to extend the authorization period for issuance of up to \$250 million in long-term debt from December 31, 2015 to December 31, 2016.

Credit Agreements and Commercial Paper Programs: Eversource parent, CL&P, PSNH, WMECO, NSTAR Gas and Yankee Gas are parties to a five-year \$1.45 billion revolving credit facility. On October 26, 2015, this revolving credit facility was amended and restated and the termination date was extended to September 4, 2020. Under the revolving credit facility, CL&P has a borrowing sublimit of \$600 million, and PSNH and WMECO each have borrowing sublimits of \$300 million. The revolving credit facility serves to backstop Eversource parent's \$1.45 billion commercial paper program. The commercial paper program allows Eversource parent to issue commercial paper as a form of short-term debt. As of December 31, 2015 and 2014, Eversource parent had approximately \$1.1 billion in short-term borrowings outstanding on each date under the

Eversource parent commercial paper program, leaving \$351.5 million and \$348.9 million of available borrowing capacity as of December 31, 2015 and 2014, respectively. The weighted-average interest rate on these borrowings as of December 31, 2015 and 2014 was 0.72 percent and 0.43 percent, respectively. As of December 31, 2015, there were intercompany loans from Eversource parent of \$277.4 million to CL&P, \$231.3 million to PSNH and \$143.4 million to WMECO. As of December 31, 2014, there were intercompany loans from Eversource parent of \$133.4 million to CL&P, \$90.5 million to PSNH and \$21.4 million to WMECO.

NSTAR Electric has a five-year \$450 million revolving credit facility. On October 26, 2015, this revolving credit facility was amended and restated and the termination date was extended to September 4, 2020. The facility serves to backstop NSTAR Electric's \$450 million commercial paper program. As of December 31, 2015 and 2014, NSTAR Electric had \$62.5 million and \$302 million, respectively, in short-term borrowings outstanding under its commercial paper program, leaving \$387.5 million and \$148 million of available borrowing capacity as of December 31, 2015 and 2014, respectively. The weighted-average interest rate on these borrowings as of December 31, 2015 and 2014 was 0.40 percent and 0.27 percent, respectively.

Cash Flows: Cash flows provided by operating activities totaled \$1.4 billion in 2015, compared with \$1.6 billion in 2014. The decrease in operating cash flows in 2015 compared to 2014 was due primarily to the \$302 million payment made to fully satisfy the obligation with the DOE, as discussed below, and an increase in purchased power and congestion costs at NSTAR Electric, WMECO and CL&P that will be recovered in future periods. Also contributing to the decrease in operating cash flows were DOE Damages proceeds received from the Yankee Companies of \$4.7 million in 2015, compared to \$132 million in 2014. Partially offsetting these unfavorable cash flow impacts were a decrease of \$49.2 million in Pension and PBOP Plan cash contributions in 2015, as compared to 2014, and lower federal income tax payments of approximately \$324 million in 2015, as compared to 2014, primarily due to the extension of the accelerated depreciation deduction.

In late 2015, CL&P and WMECO made payments of \$244.6 million and \$57.4 million, respectively, to fully satisfy their obligations with the DOE, which were classified as long-term debt on the balance sheets as of December 31, 2014, for costs associated with the disposal of spent nuclear fuel and high-level radioactive waste for all periods prior to 1983 from their previous ownership interest in the Millstone nuclear power station. CL&P and WMECO divested their ownership interest in Millstone in 2001. These payments included accumulated interest of \$178 million and \$41.8 million for CL&P and WMECO, respectively. CL&P funded its payment with the issuance of debt, and WMECO liquidated its spent nuclear fuel trust to satisfy its obligation with the DOE.

On December 18, 2015, the "Protecting Americans from Tax Hikes" Act became law, which extended the accelerated deduction of depreciation to businesses from 2015 through 2019. This extended stimulus provides us with cash flow benefits in 2016 of approximately \$275 million (including approximately \$105 million for CL&P) due to a refund of taxes paid in 2015 and lower expected tax payments in 2016 of approximately \$300 million.

In 2015, we paid cash dividends of \$529.8 million, or \$1.67 per common share, compared with \$475.2 million, or \$1.57 per share in 2014. Our quarterly common share dividend payment was \$0.4175 per share, in 2015, as compared to \$0.3925 per share, in 2014. On February 3, 2016, our Board of Trustees approved a common share dividend payment of \$0.445 per share, payable on March 31, 2016 to shareholders of record as of March 2, 2016. The 2016 dividend represented an increase of 6.6 percent over the dividend paid in December 2015, and is equivalent to dividends on common shares of approximately \$565 million on an annual basis.

In 2015, CL&P, NSTAR Electric, PSNH, and WMECO paid \$196 million, \$198 million, \$106 million, and \$37.2 million, respectively, in common stock dividends to Eversource parent.

Investments in Property, Plant and Equipment on the statements of cash flows do not include amounts incurred on capital projects but not yet paid, cost of removal, AFUDC related to equity funds, and the capitalized portions of pension expense. In 2015, investments for Eversource, CL&P, NSTAR Electric, PSNH, and WMECO were \$1.7 billion, \$523.8 million, \$469.5 million, \$308 million, and \$134.6 million, respectively.

Each of Eversource, CL&P, NSTAR Electric, PSNH and WMECO use its available capital resources to fund its respective construction expenditures, meet debt requirements, pay operating costs, including storm-related costs, pay dividends and fund other corporate obligations, such as pension contributions. The current growth in Eversource's construction expenditures utilizes a significant amount of cash for projects that have a long-term return on investment and recovery period. In addition, Eversource's Regulated companies recover their electric and natural gas distribution construction expenditures as the related project costs are depreciated over the life of the assets. This impacts the timing of the revenue stream designed to fully recover the total investment plus a return on the equity and debt used to finance the investments. These factors have resulted in current liabilities exceeding current assets by approximately \$371 million and \$82 million at Eversource and WMECO, respectively, as of December 31, 2015.

As of December 31, 2015, a total of \$200 million of Eversource's long-term debt classified as current liabilities, all at NSTAR Electric, will be paid in the next 12 months. The remaining \$28.9 million of Eversource's long-term debt classified as current liabilities relates to fair value adjustments from the merger that will be amortized in the next 12 months and have no cash flow impact. Eversource, with its strong credit ratings, has several options available in the financial markets to repay or refinance these maturities with the issuance of new long-term debt. Eversource, CL&P, NSTAR Electric, PSNH and WMECO will reduce their short-term borrowings with operating cash flows or with the issuance of new long-term debt, determined by considering capital requirements and maintenance of Eversource's credit rating and profile. We expect the future operating cash flows of Eversource, CL&P, NSTAR Electric, PSNH and WMECO, along with the access to financial markets, will be sufficient to meet any future operating requirements and capital investment forecasted opportunities.

Credit Ratings: On April 23, 2015, S&P upgraded the corporate credit ratings by one level and changed the outlooks to stable from positive of Eversource parent, CL&P, NSTAR Electric, PSNH, WMECO, Yankee Gas and NSTAR Gas. On May 19, 2015, Moody's changed the outlooks of PSNH and WMECO to positive from stable and affirmed their corporate credit ratings. On June 2, 2015, Fitch changed the outlooks to positive from stable of CL&P, PSNH and WMECO and affirmed its corporate credit ratings of Eversource parent, CL&P, NSTAR Electric, PSNH, WMECO and NSTAR Gas.

A summary of our corporate credit ratings and outlooks by Moody's, S&P and Fitch is as follows:

| | Moody's | | S&P | | Fitch | |
|-------------------|---------|----------|---------|---------|---------|----------|
| | Current | Outlook | Current | Outlook | Current | Outlook |
| Eversource Parent | Baa1 | Stable | A | Stable | BBB+ | Stable |
| CL&P | Baa1 | Stable | A | Stable | BBB+ | Positive |
| NSTAR Electric | A2 | Stable | A | Stable | A | Stable |
| PSNH | Baa1 | Positive | A | Stable | BBB+ | Positive |
| WMECO | A3 | Positive | A | Stable | BBB+ | Positive |

A summary of the current credit ratings and outlooks by Moody's, S&P and Fitch for senior unsecured debt of Eversource parent, NSTAR Electric, and WMECO and senior secured debt of CL&P and PSNH is as follows:

| | Moody's | | S&P | | Fitch | |
|-------------------|---------|----------|---------|---------|---------|----------|
| | Current | Outlook | Current | Outlook | Current | Outlook |
| Eversource Parent | Baa1 | Stable | A- | Stable | BBB+ | Stable |
| CL&P | A2 | Stable | A+ | Stable | A | Positive |
| NSTAR Electric | A2 | Stable | A | Stable | A+ | Stable |
| PSNH | A2 | Positive | A+ | Stable | A | Positive |
| WMECO | A3 | Positive | A | Stable | A- | Positive |

Business Development and Capital Expenditures

Our consolidated capital expenditures, including amounts incurred but not paid, cost of removal, AFUDC, and the capitalized portions of pension expense (all of which are non-cash factors), totaled \$1.9 billion in 2015, \$1.7 billion in 2014, and \$1.6 billion in 2013. These amounts included \$102 million in 2015, \$58.3 million in 2014, and \$44.7 million in 2013 related to information technology and facilities upgrades and enhancements, primarily at Eversource Service and The Rocky River Realty Company.

Natural Gas Transmission Business:

Access Northeast: Access Northeast is a natural gas pipeline and storage project (the "Project") being developed jointly by Eversource, Spectra Energy Corp and National Grid. Access Northeast will enhance the Algonquin and Maritimes & Northeast pipeline systems using existing routes and will include two new LNG storage tanks and liquefaction and vaporization facilities in Acushnet, Massachusetts that will be connected to the Algonquin gas pipeline. The Project is expected to be capable of delivering approximately 900 million cubic feet of additional natural gas per day to New England on peak demand days. Eversource and Spectra Energy Corp each own a 40 percent interest in the Project, with the remaining 20 percent interest owned by National Grid. The total projected cost for both the pipeline and the LNG storage is expected to be approximately \$3 billion with anticipated in-service dates commencing in November 2018. The Project is subject to FERC and other federal and state regulatory approvals. On November 17, 2015, the FERC accepted the Project's request to initiate the pre-filing review process. Upon completion of the pre-filing review, a certificate application will be filed with the FERC. In late 2015, the Project bid into the New England Natural Gas Pipeline Capacity RFP conducted by certain EDCs in Massachusetts and Rhode Island, including NSTAR Electric and WMECO in Massachusetts, and in December 2015 and January 2016, those Massachusetts EDCs filed with the DPU seeking approval of the contracts for pipeline and storage capacity with the Project. We expect the Rhode Island EDC to file its selected contracts with the Rhode Island regulatory agencies in the first half of 2016. In February 2016, PSNH filed for approval with the NHPUC, its proposed contract for natural gas pipeline capacity and storage with the Project. For further information on the RFP process, see "Regulatory Developments and Rate Matters – General – New England Natural Gas Pipeline Capacity" in this *Management's Discussion and Analysis of Financial Conditions and Results of Operations*.

Electric Transmission Business: Our consolidated electric transmission business capital expenditures increased by \$106 million in 2015, as compared to 2014. A summary of electric transmission capital expenditures by company is as follows:

| (Millions of Dollars) | For the Years Ended December 31, | | |
|-------------------------------------|----------------------------------|----------|----------|
| | 2015 | 2014 | 2013 |
| CL&P | \$ 252.9 | \$ 259.2 | \$ 211.9 |
| NSTAR Electric | 238.2 | 223.8 | 220.8 |
| PSNH | 161.2 | 120.8 | 99.7 |
| WMECO | 116.0 | 68.5 | 87.2 |
| NPT | 38.3 | 28.3 | 39.9 |
| Total Electric Transmission Segment | \$ 806.6 | \$ 700.6 | \$ 659.5 |

NEEWS: The Interstate Reliability Project (IRP), the second project within the NEEWS family of projects, was fully energized on December 18, 2015. The project involved CL&P's construction of an approximately 40-mile, 345-kV overhead line from Lebanon, Connecticut to the Connecticut-Rhode Island border where it connects to transmission enhancements constructed by National Grid in Rhode Island. IRP was placed in service in December 2015 at a final cost to CL&P of \$192.6 million. Through December 31, 2015, CL&P and WMECO capitalized \$377.9 million and \$570.6 million, respectively, in costs associated with NEEWS.

GHCC: The Greater Hartford Central Connecticut (GHCC) solutions are comprised of 27 projects and are expected to cost approximately \$350 million and be placed in service from 2016 through 2018. ISO-NE posted the final Solutions Study for GHCC in late February 2015 and approved our Proposed Plan Applications on April 16, 2015. Through December 31, 2015, we have filed siting applications for five projects all of which have been approved by the Connecticut Siting Council. During 2016, fifteen projects are expected to be in active construction, and three additional siting applications are expected to be filed. All GHCC projects are expected to be completed by late 2018. As of December 31, 2015, CL&P had capitalized \$50.6 million in costs associated with GHCC.

Northern Pass: Northern Pass is Eversource's planned HVDC transmission line from the Québec-New Hampshire border to Franklin, New Hampshire and an associated alternating current radial transmission line between Franklin and Deerfield, New Hampshire. Northern Pass will interconnect at the Québec-New Hampshire border with a planned HQ HVDC transmission line. On July 21, 2015, the DOE issued the draft Environmental Impact Statement (EIS) for Northern Pass representing a key milestone in the permitting process. On August 18, 2015, a revised route was announced with an additional 52 miles of the route underground in and around the White Mountain National Forest region. As a result, the NPT project cost estimate increased from \$1.4 billion to \$1.6 billion. Concurrently, NPT announced the Forward NH Plan, which is a commitment to allocate \$200 million to projects associated with economic development, community betterment, and clean energy innovations to benefit the state of New Hampshire. This commitment is contingent upon the Northern Pass transmission line going into commercial operation.

On October 19, 2015, NPT filed its NH SEC application, which was accepted as complete by the NH SEC on December 18, 2015, allowing the formal siting process to move forward. In response to requests by the New Hampshire congressional delegation, the DOE announced that it would issue a supplement to the draft EIS. Public hearings on the draft EIS will be held in March 2016. The DOE has asked for comments by April 4, 2016. The project is expected to be operational in the first half of 2019. On January 28, 2016, NPT bid into the three-state Clean Energy RFP process. For further information on the RFP process, see "Regulatory Developments and Rate Matters – General – Clean Energy RFP" in this *Management's Discussion and Analysis of Financial Conditions and Results of Operations*.

Clean Energy Connect: The Clean Energy Connect project is a planned transmission, wind and hydro generation project that we plan to co-develop with experienced renewable generation companies. On January 28, 2016, the Clean Energy Connect project was bid into the three-state Clean Energy RFP process. Our investment, should the Clean Energy Connect Project be selected in the RFP process, is currently estimated to be at least \$400 million, and would involve the construction of a new 25-mile, 345kV transmission line with a 600 MW capacity from western Massachusetts to eastern New York.

Greater Boston Reliability Solutions: In February 2015, ISO-NE selected Eversource's and National Grid's proposed Greater Boston and New Hampshire Solution (Solution) to satisfy the requirements identified in the Greater Boston study. The Solution consists of a portfolio of electric transmission upgrades straddling southern New Hampshire and northern Massachusetts in the Merrimack Valley and continuing into the greater Boston metropolitan area. We are pursuing the necessary regulatory approvals and have filed several siting applications in Massachusetts and New Hampshire. We estimate our portion of the investment in the Solution will be \$544 million.

Distribution Business: A summary of distribution capital expenditures by company is as follows:

| (Millions of Dollars) | For the Years Ended December 31, | | |
|-------------------------------------------------------------|----------------------------------|-----------------|-----------------|
| | 2015 | 2014 | 2013 |
| CL&P: | | | |
| Basic Business | \$ 141.1 | \$ 120.2 | \$ 60.9 |
| Aging Infrastructure | 151.0 | 118.0 | 160.7 |
| Load Growth | 42.2 | 66.3 | 76.9 |
| Total CL&P | 334.3 | 304.5 | 298.5 |
| NSTAR Electric: | | | |
| Basic Business | 108.7 | 99.0 | 98.5 |
| Aging Infrastructure | 103.1 | 104.2 | 110.6 |
| Load Growth | 51.9 | 43.1 | 53.6 |
| Total NSTAR Electric | 263.7 | 246.3 | 262.7 |
| PSNH: | | | |
| Basic Business | 59.2 | 62.1 | 22.7 |
| Aging Infrastructure | 57.3 | 45.3 | 50.5 |
| Load Growth | 25.5 | 27.1 | 29.3 |
| Total PSNH | 142.0 | 134.5 | 102.5 |
| WMECO: | | | |
| Basic Business | 18.2 | 19.0 | 7.9 |
| Aging Infrastructure | 18.5 | 16.1 | 24.6 |
| Load Growth | 6.6 | 6.1 | 9.2 |
| Total WMECO | 43.3 | 41.2 | 41.7 |
| Total - Electric Distribution (excluding Generation) | 783.3 | 726.5 | 705.4 |
| Other Distribution | - | - | 0.7 |
| PSNH Generation | 33.3 | 13.1 | 9.7 |
| WMECO Generation | - | 7.6 | 4.5 |
| Natural Gas | 212.6 | 193.7 | 175.2 |
| Total Electric and Natural Gas Distribution Segment | \$ 1,029.2 | \$ 940.9 | \$ 895.5 |

For the electric distribution business, basic business includes the purchase of meters, tools, vehicles, information technology, transformer replacements, equipment facilities, and the relocation of plant. Aging infrastructure relates to reliability and the replacement of overhead lines, plant substations, underground cable replacement, and equipment failures. Load growth includes requests for new business and capacity additions on distribution lines and substation additions and expansions.

Natural Gas Distribution Business Expansion and Enhancement: In 2013, in accordance with Connecticut law and regulations, PURA approved a comprehensive joint natural gas infrastructure expansion plan (expansion plan) filed by Yankee Gas and other Connecticut natural gas distribution companies. The expansion plan described how Yankee Gas expects to add approximately 82,000 new natural gas heating customers over a 10-year period. Yankee Gas estimated that its portion of the plan would cost approximately \$700 million over 10 years. In January 2015, the PURA approved a joint settlement agreement proposed by Yankee Gas and other Connecticut natural gas distribution companies and regulatory agencies that clarified the procedures and oversight criteria applicable to the expansion plan. On March 20, 2015, Yankee Gas filed its initial System Expansion (SE) Rate reconciliation for 2014. The proposed SE rate was approved by the PURA for implementation as of April 1, 2015, pending final PURA approval following a contested hearing.

In October 2014, pursuant to new legislation, NSTAR Gas filed the Gas System Enhancement Program (GSEP) with the DPU. NSTAR Gas' program accelerates the replacement of certain natural gas distribution facilities in the system to within 25 years. The GSEP includes a new tariff effective January 1, 2016 that provides NSTAR Gas an opportunity to collect the costs for the program on an annual basis through a newly designed reconciling factor. On April 30, 2015, the DPU approved the GSEP. We expect capital expenditures of approximately \$255 million for the period 2016 through 2019 for the GSEP.

Projected Capital Expenditures: A summary of the projected capital expenditures for the Regulated companies' electric transmission and for the total electric distribution, generation, and natural gas distribution businesses for 2016 through 2019, including information technology and facilities upgrades and enhancements on behalf of the Regulated companies, is as follows:

| | Years | | | | 2016-2019 Total |
|--------------------------------------|----------|----------|----------|----------|--------------------|
| | 2016 | 2017 | 2018 | 2019 | |
| (Millions of Dollars) | | | | | |
| CL&P Transmission | \$ 351 | \$ 250 | \$ 215 | \$ 157 | \$ 973 |
| NSTAR Electric Transmission | 302 | 216 | 238 | 149 | 905 |
| PSNH Transmission | 112 | 65 | 38 | 56 | 271 |
| WMECO Transmission | 115 | 78 | 22 | 40 | 255 |
| NPT | 31 | 684 | 636 | 149 | 1,500 |
| Total Electric Transmission | \$ 911 | \$ 1,293 | \$ 1,149 | \$ 551 | \$ 3,904 |
| Electric Distribution | \$ 892 | \$ 963 | \$ 888 | \$ 840 | \$ 3,583 |
| Generation | 20 | - | - | - | 20 |
| Natural Gas | 284 | 318 | 339 | 357 | 1,298 |
| Total Distribution | \$ 1,196 | \$ 1,281 | \$ 1,227 | \$ 1,197 | \$ 4,901 |
| Information Technology and All Other | \$ 105 | \$ 88 | \$ 82 | \$ 87 | \$ 362 |
| Total | \$ 2,212 | \$ 2,662 | \$ 2,458 | \$ 1,835 | \$ 9,167 |

The projections do not include capital investments related to Access Northeast or Clean Energy Connect. Actual capital expenditures could vary from the projected amounts for the companies and years above.

FERC Regulatory Issues

FERC ROE Complaints: Three separate complaints have been filed at FERC by combinations of New England state attorneys general, state regulatory commissions, consumer advocates, consumer groups, municipal parties and other parties (the "Complainants"). In these three separate complaints, the Complainants challenged the NETOs' base ROE of 11.14 percent that had been utilized since 2006 and sought an order to reduce it prospectively from the date of the final FERC order and for the 15-month complaint refund periods stipulated in the separate complaints. In 2014, the FERC ordered a 10.57 percent base ROE for the first complaint refund period and prospectively from October 16, 2014, and that a utility's total or maximum ROE shall not exceed the top of the new zone of reasonableness, which was set at 11.74 percent. The NETOs and the Complainants sought rehearing from FERC. In late 2014, the NETOs made a compliance filing and the Company began issuing refunds to customers from the first complaint period.

As a result of the actions taken by the FERC and other developments in the first complaint matter, the Company recorded reserves at its electric subsidiaries in 2015, 2014 and 2013. In 2015, Eversource recognized an after-tax charge to earnings (excluding interest) of \$12.4 million, of which \$7.9 million was recorded at CL&P, \$1.4 million at NSTAR Electric, \$0.6 million at PSNH, and \$2.5 million at WMECO. The net aggregate after-tax charge to earnings (excluding interest) in 2014 totaled \$22.4 million, of which \$12.4 million was recorded at CL&P, \$4.9 million at NSTAR Electric, \$1.7 million at PSNH and \$3.4 million at WMECO. The aggregate after-tax charge to earnings (excluding interest) in 2013 totaled \$14.3 million, of which \$7.7 million was recorded at CL&P, \$3.4 million at NSTAR Electric, \$1.4 million at PSNH and \$1.8 million at WMECO. The NETOs and Complainants have filed appeals to the D.C. Circuit Court of Appeals. A court decision is expected in late 2016.

For the second and third complaints, the state parties, municipal utilities and FERC trial staff each believe that the base ROE should be reduced to an amount lower than 10.57 percent. The NETOs believe that the Complainants' positions are without merit, and the existing base ROE of 10.57 percent is just and reasonable and should be maintained. The FERC ALJ's initial recommendation is expected by March 31, 2016. A final FERC order is expected in late 2016 or early 2017.

As of December 31, 2015, CL&P, NSTAR Electric, PSNH, and WMECO had approximately \$2.7 billion of aggregate shareholder equity invested in their transmission facilities. As a result, each 10 basis point change in the authorized base ROE would change annual consolidated earnings by an approximate \$2.7 million. Although we are uncertain on the final outcome of the second and third complaints regarding the ROE, we believe the current reserves established are appropriate to reflect probable and reasonably estimable refunds.

FERC Order No. 1000: On August 15, 2014, the D.C. Circuit Court of Appeals upheld the FERC's authority to order major changes to transmission planning and cost allocation in FERC Order No. 1000 and Order No. 1000-A, including transmission planning for public policy needs, and the requirement that utilities remove from their transmission tariffs their rights of first refusal to build transmission. On March 19, 2015, the FERC acted on all rehearing requests filed by the NETOs, including CL&P, NSTAR Electric, PSNH and WMECO, and other parties and accepted the November 2013 compliance filing made by ISO-NE and the NETOs, subject to further compliance. The FERC accepted our proposal that the new competitive transmission planning process will not apply to certain projects, which have been declared as the preferred solution by ISO-NE, unless ISO-NE later decides a solution must be re-evaluated. The FERC determined on rehearing that we can restore provisions that recognize the NETOs' rights to retain use and control of their existing rights of ways. Final compliance was filed by the NETOs in November 2015 and was accepted by the FERC on December 14, 2015.

Additionally, the FERC affirmed that it can eliminate our right of first refusal to build transmission in New England even though the FERC previously approved and granted special protections to these rights. The NETOs filed an appeal to the D.C. Circuit Court of Appeals, challenging this FERC ruling. State regulators also filed an appeal, challenging FERC's determination that ISO-NE should select public policy transmission projects after a competitive process. The Court is expected to resolve the appeals in 2016.

Regulatory Developments and Rate Matters

General:

Clean Energy RFP: In February 2015, pursuant to clean energy goals established in three New England states (Connecticut, Massachusetts and Rhode Island), CL&P, NSTAR Electric, WMECO, other EDCs, and state agencies in the three states jointly developed and issued a draft request for proposal (RFP) for clean energy resources (including Class I renewable generation and large hydroelectric generation). The draft RFP solicits offers for clean energy and the transmission to deliver that energy to the three states. The procurement will allow the states to identify large-scale projects that may offer the potential to meet their clean energy goals in a cost-effective manner when entered into jointly, while complying with the clean energy statutes within the three states.

The DPU and the Rhode Island Public Utilities Commission (PUC) approved the draft RFP that was jointly submitted by certain EDCs. The draft RFP encompassed the timetable and method for the solicitation and execution of any associated long-term contracts. On August 31, 2015, the DEEP issued a notice of proceeding on the Connecticut portion of the draft RFP and accepted public comment through September 30, 2015. On November 12, 2015, the DEEP and the Massachusetts and Rhode Island EDCs issued the RFP to a wide range of potentially interested bidders. In late January 2016, bidders submitted project proposals, among which were the Northern Pass and Clean Energy Connect projects, selection of which will take place between April and July 2016. The expected timeframe within which EDCs will execute contracts and submit them for regulatory commission approval from the respective state regulators is from June through October 2016 with approval expected in late 2016.

New England Natural Gas Pipeline Capacity: In 2014, the six New England states began to explore ways to address and mitigate winter natural gas price volatility and the associated impact on electric power supply costs attributable to winter pipeline capacity constraints. Five states are currently pursuing natural gas capacity expansion efforts. In 2014, Rhode Island approved legislation authorizing the Rhode Island Division of Public Utilities and Carriers and the Office of Energy Resources to participate in the RFP process and file proposals with the PUC. In late 2015, Access Northeast bid on the natural gas pipeline and storage RFP issued by the Rhode Island EDC. We expect the EDC will file their selected contracts with the PUC in the first half of 2016. The Massachusetts DPU determined that it has the authority to allow EDCs to contract for natural gas pipeline capacity and in late 2015, certain Massachusetts EDCs, including NSTAR Electric and WMECO, issued a natural gas pipeline capacity RFP. In December 2015 and January 2016, those Massachusetts EDCs filed with the DPU seeking approval of the contracts for pipeline and storage capacity, including Access Northeast. On January 19, 2016, the NHPUC issued an order accepting a staff report that concluded that the NHPUC could approve contracts between pipelines and EDCs if they were shown to reduce electricity costs and be in the public interest. In February 2016, PSNH filed for approval with the NHPUC, its proposed contract for natural gas pipeline capacity and storage with Access Northeast. The Connecticut DEEP expects to provide an opportunity for public comment on a natural gas pipeline capacity RFP in the first quarter of 2016.

Electric and Natural Gas Base Distribution Rates:

Each Eversource utility subsidiary is subject to the regulatory jurisdiction of the state in which it operates: CL&P and Yankee Gas operate in Connecticut and are subject to PURA regulation; NSTAR Electric, WMECO and NSTAR Gas operate in Massachusetts and are subject to DPU regulation; and PSNH operates in New Hampshire and is subject to NHPUC regulation. The Regulated companies' distribution rates are set by their respective state regulatory commissions, and their tariffs include mechanisms for periodically adjusting their rates for the recovery of specific incurred costs.

In Connecticut, CL&P distribution rates were established in a 2014 PURA approved rate case. Yankee Gas distribution rates were established in a 2011 PURA approved rate case. In Massachusetts, electric utility companies are required to file at least one distribution rate case every five years, and natural gas companies to file at least one distribution rate case every 10 years, and those companies are limited to one settlement agreement in any 10-year period. NSTAR Electric and WMECO were subject to a base distribution rate freeze through December 31, 2015. NSTAR Gas distribution rates effective January 1, 2016 were established in an October 30, 2015 DPU distribution rate order. See *Massachusetts – NSTAR Gas Distribution Rates* in this *Regulatory Developments and Rate Matters* section for further information. In New Hampshire, PSNH distribution rates were established in a settlement approved by the NHPUC in 2010. Prior to the expiration of that settlement, the NHPUC approved the continuation, and increased funding via rates, of PSNH's reliability enhancement program. See *New Hampshire – Distribution Rates* in this *Regulatory Developments and Rate Matters* section for further information.

Electric and Natural Gas Retail Rates:

The Eversource EDCs obtain and resell power to retail customers who choose not to buy energy from a competitive energy supplier. The natural gas distribution companies procure natural gas for firm and seasonal customers. These energy supply procurement costs are recovered from customers in energy supply rates that are approved by the respective state regulatory commission. The rates are reset periodically and are fully reconciled to their costs. Each electric and natural gas distribution company fully recovers its energy supply costs through approved regulatory rate mechanisms and, therefore, such costs have no impact on earnings.

The electric and natural gas distribution companies also recover certain costs on a fully reconciling basis through regulatory commission-approved cost tracking mechanisms and, therefore, such costs have no impact on earnings. Costs recovered through costs tracking mechanisms include energy efficiency program costs, electric transmission charges, electric federally mandated congestion charges, system resiliency costs, certain uncollectible hardship bad debt expenses, and restructuring and stranded costs resulting from deregulation. The reconciliation filings compare the total actual costs allowed to revenue requirements related to these services and the difference between the costs incurred (or the rate recovery allowed) and the actual costs allowed is deferred and included, to be either recovered or refunded, in future customer rates.

Connecticut:

CL&P Distribution Rates: In December 2014, the PURA granted a re-opener request to CL&P's base distribution rate application for further review of the appropriate balance of ADIT utilized in the calculation of rate base. On July 2, 2015, the PURA issued a final order that approved a settlement agreement filed on May 19, 2015 between CL&P and the PURA Prosecutorial Staff. The order allows for an increase to rate base of approximately \$163 million associated with ADIT, including a regulatory asset to recover the incremental revenue requirement for the period December 1, 2014 through November 30, 2015 over a subsequent 24-month period. The rate base increase provided an increase to total allowed annual revenue requirements of \$18.4 million beginning December 1, 2014. As part of the settlement agreement, the \$18.4 million for the period December 1, 2014 through November 30, 2015 was recorded as a regulatory asset with a corresponding increase in Operating Revenues, and is being collected from customers in rates over a 24-month period beginning December 1, 2015.

CL&P and Yankee Gas Conservation and Load Management Plan: On December 31, 2015, DEEP approved the three-year electric and natural gas C&LM plan filed by CL&P and Yankee Gas, which was jointly developed with the Connecticut EDCs and natural gas distribution companies. The C&LM plan, which covers the years 2016 through 2018, was built upon the continued success and momentum of the previous C&LM plans and includes performance incentives totaling \$24 million over the three-year period related to proposed savings goals for CL&P and Yankee Gas.

Yankee Gas Settlement Agreement: On April 29, 2015, the PURA approved a settlement agreement entered into among Yankee Gas, the Connecticut Office of Consumer Counsel, and the PURA Staff, which eliminated the requirement to file a base distribution rate case in 2015. Under the terms of the settlement agreement, Yankee Gas provided a \$1.5 million rate credit to firm customers beginning in December 2015 and continued through February 2016, and established an earnings sharing mechanism whereby Yankee Gas and its customers will share equally in any earnings exceeding a 9.5 percent ROE in a twelve month period commencing with the period from April 1, 2015 through March 31, 2016. Additionally, Yankee Gas shall forgo its right to file a rate case for an increase in its base distribution rates prior to January 1, 2017. This does not impact the rates charged under the Connecticut comprehensive energy strategy (CES) program. The settlement agreement also resolved two pending regulatory proceedings before the PURA pertaining to a review of Yankee Gas' overearnings. In 2015, Yankee Gas recorded the \$1.5 million expected refund to customers as a reduction to operating revenues.

Massachusetts:

NSTAR Electric and NSTAR Gas Comprehensive Settlement Agreement: On March 2, 2015, the DPU approved the comprehensive settlement agreement between NSTAR Electric, NSTAR Gas and the Massachusetts Attorney General (the "Settlement") as filed with the DPU on December 31, 2014. The Settlement resolved the outstanding NSTAR Electric CPSL program filings for 2006 through 2011, the NSTAR Electric and NSTAR Gas PAM and energy efficiency-related customer billing adjustments reported in 2012, and the recovery of LBR related to NSTAR Electric's energy efficiency programs for 2009 through 2011 (11 dockets in total). In the first quarter of 2015, as a result of the DPU order, NSTAR Electric and NSTAR Gas commenced refunding a combined \$44.7 million to customers, which was recorded as a regulatory liability. Refunds to customers will continue through December 2016. As a result of the Settlement, NSTAR Electric increased its operating revenues and decreased its amortization expense in 2015, resulting in the recognition of a \$13 million after-tax benefit.

NSTAR Electric Basic Service Bad Debt Adder: On January 7, 2015, the DPU issued an order concluding that NSTAR Electric had removed energy-related bad debt costs from base distribution rates effective January 1, 2006. As a result of the DPU order, in the first quarter of 2015, NSTAR Electric increased its regulatory assets and reduced its operations and maintenance expense by an under recovered amount of \$24.2 million for energy-related bad debt costs through 2014, resulting in after-tax earnings of \$14.5 million. NSTAR Electric filed for recovery of the energy-related bad debt costs regulatory asset from customers and on November 20, 2015, the DPU approved NSTAR Electric's proposed rate increase to recover these costs over a 12-month period, beginning January 1, 2016.

NSTAR Electric and WMECO Grid Modernization Plan: As part of the DPU's investigation into the modernization of the electric grid, in August 2015, NSTAR Electric and WMECO filed a comprehensive ten-year plan with the DPU. The plan focuses on technologies and investments that modernize the grid with proposed investments in equipment that reduces the frequency and duration of power outages, optimizes and manages electrical demand, integrates distributed energy resources, and improves workforce and asset management. The plan includes incremental spending of approximately \$430 million over the first five years, which would be recovered from customers in rates, and is pending DPU review and approval. There is currently no timeline for the DPU to take any action on this plan.

NSTAR Electric, WMECO and NSTAR Gas Energy Efficiency Plan: The Massachusetts EDCs and natural gas distribution companies have increased their energy efficiency savings achievements significantly since the enactment of the Green Communities Act in 2008, with electric savings almost tripling between 2008 and 2014. On January 28, 2016, the DPU issued an order approving NSTAR Electric's, WMECO's, and NSTAR Gas' three-year electric and natural gas energy efficiency plan, which was jointly developed with other Massachusetts EDCs and natural gas distribution companies. As part of this plan, which covers the years 2016 through 2018, NSTAR Electric, WMECO, and NSTAR Gas will maintain aggressive savings goals. The plan includes the ability to earn performance incentives related to these aggressive savings goals totaling \$58 million over the three-year period for NSTAR Electric, WMECO and NSTAR Gas, as well as recovery of LBR of approximately \$50 million on an annual basis for NSTAR Electric until it is operating under a decoupled rate structure.

NSTAR Electric DPU Safety and Reliability Programs: The safety and reliability programs allowed NSTAR Electric to recover \$15 million per year, through December 31, 2015, related to DPU approved safety and reliability programs, which are designed to mitigate stray voltage and repair and replace portions of the system to increase and enhance customer safety.

NSTAR Gas Distribution Rates: On October 30, 2015, the DPU issued its order in the NSTAR Gas distribution rate case, which approved an annualized base rate increase of \$15.8 million, plus other increases of approximately \$11.5 million, mostly relating to recovery of pension and PBOP expenses and the Hopkinton Gas Service Agreement (GSA), effective January 1, 2016. In the order, the DPU also approved an authorized regulatory

ROE of 9.8 percent, the establishment of a revenue decoupling mechanism, the recovery of certain bad debt expenses, and a 52.1 percent equity component of its capital structure. On November 19, 2015, NSTAR Gas filed a motion for reconsideration of the order with the DPU seeking the correction of mathematical errors and other plant and cost of service items.

As a result of this order, Eversource recorded regulatory deferrals for costs that have been approved for recovery or are expected to be approved for recovery in future rate proceedings, which resulted in the recognition of a \$10.3 million after-tax benefit in 2015. Included in this amount is a \$6.3 million after-tax benefit recorded at NSTAR Electric for certain uncollectible hardship accounts receivable that are expected to be recovered in future rates given the allowed recoveries of uncollectible hardship accounts receivable by WMECO and NSTAR Gas.

NSTAR Gas - Gas Service Agreement: On April 29, 2015, the DPU approved the GSA, subject to DPU modifications, between NSTAR Gas and Hopkinton LNG Corp. (HOPCO), an indirect, wholly-owned subsidiary of Eversource. On October 30, 2015, the DPU issued its order in the NSTAR Gas distribution rate case that required minor changes to the GSA. On May 22, 2015 and November 17, 2015, we filed revised GSAs with the DPU reflecting these modifications. The GSA effectively replaces the former gas services agreement in place between NSTAR Gas and HOPCO, maintains NSTAR Gas Company's entitlement to 100 percent of the current capacity of the HOPCO facilities, and provides for the recovery of costs associated with planned capital expenditures at the HOPCO facilities. We currently estimate the HOPCO facilities' capital expenditures to be approximately \$200 million, most of which will be invested and placed into service in the first five years of the GSA. The GSA has a 30-year term commencing on January 1, 2016.

New Hampshire:

Distribution Rates: PSNH distribution rates were established in a settlement approved by the NHPUC in 2010. Rates established therein will continue until changed by the NHPUC in a subsequent distribution rate proceeding. In June 2015, PSNH sought and obtained approval for a distribution rate increase to fund continuation of the reliability enhancement program beyond the end of the PSNH's 2010 distribution rate settlement.

Generation Divestiture:

On June 10, 2015, Eversource and PSNH entered into the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (the Agreement) with the New Hampshire Office of Energy and Planning, certain members of the NHPUC staff, the Office of Consumer Advocate, two State Senators, and several other parties. The Agreement was filed with the NHPUC on the same day. Under the terms of the Agreement, PSNH has agreed to divest its generation assets upon NHPUC approval. The Agreement is designed to provide a resolution of issues pertaining to PSNH's generation assets in pending regulatory proceedings before the NHPUC. The Agreement provided for the Clean Air Project prudence proceeding to be resolved and all remaining Clean Air Project costs to be included in rates effective January 1, 2016. As part of the Agreement, PSNH has agreed to forego recovery of \$25 million of the deferred equity return related to the Clean Air Project. In addition, PSNH will not seek a general distribution rate increase effective before July 1, 2017 and will contribute \$5 million to create a clean energy fund, which will not be recoverable from its customers. In 2015, PSNH recorded the \$5 million contribution as a long-term liability and an increase to Operations and Maintenance expense on the statements of income.

Upon completion of the divestiture process, all remaining stranded costs will be recovered via bonds that will be secured by a non-bypassable charge or through other recoveries in rates billed to PSNH's customers. For further information on the securitization legislation that was signed into law on July 9, 2015, see "Legislative and Policy Matters – New Hampshire" in this *Management's Discussion and Analysis of Financial Conditions and Results of Operations*.

On January 26, 2016, Advisory Staff of the NHPUC and the parties to the Agreement filed a stipulation with the NHPUC agreeing that near-term divestiture of PSNH's generation was in the public interest and that the Agreement should be approved. Implementation of the Agreement is subject to NHPUC approval, which is expected in early 2016.

We believe that full recovery of PSNH's generation assets is probable through a combination of cash flows during the remaining operating period, sales proceeds upon divestiture, and recovery of stranded costs in future rates.

Clean Air Project Prudence Proceeding: The Clean Air Project, which involved the installation of wet scrubber technology at PSNH's Merrimack coal-fired generation station in Bow, New Hampshire, pursuant to state law, was placed in service in September 2011. In April 2012, the NHPUC issued an order authorizing temporary rates to recover a significant portion of the Clean Air Project costs.

Pursuant to the Agreement, on December 22, 2015, the NHPUC approved PSNH's request to increase its default energy service rate for full recovery of costs (including a return) related to the Clean Air Project, as well as a deferred equity return, effective January 1, 2016. The approved energy supply portion of the 2016 rate is 9.99 cents per kWh (including all Clean Energy Project-related costs), and the SCRC rate for 2016 is a credit to customers of 0.017 cents per kWh.

Legislative and Policy Matters

Federal: On December 18, 2015, the "Protecting Americans from Tax Hikes" Act became law, which extended the accelerated deduction of depreciation to businesses from 2015 through 2019. This extended stimulus provides us with cash flow benefits of approximately \$275 million (including approximately \$105 million for CL&P) due to a refund of taxes paid in 2015 and lower expected tax payments in 2016 of approximately \$300 million.

New Hampshire: On July 9, 2015, the Governor of New Hampshire signed "An Act Relative to Electric Rate Reduction Financing" (the Act) permitting the NHPUC to issue finance orders that authorize the issuance of rate reduction bonds in accordance with the PSNH divestiture agreement and the expected NHPUC divestiture order, regarding cost recovery of the Clean Air project and divestiture of PSNH's remaining generation plants.

Connecticut: In 2015, the state of Connecticut enacted several changes to its corporate tax laws. Among the changes, commencing as of January 1, 2015, is the reduction in the amount of tax credits that corporations can utilize against its tax liability in a year and a continuation of the corporate income tax surcharge through 2018, which effectively increases the state corporate tax rate to 9 percent for the years 2016 and 2017 and 8.25 percent for 2018. Also, effective January 1, 2016, all Connecticut companies have a mandatory unitary tax filing requirement. We continue to review the tax law changes and their impact on the effective tax rates of Eversource and CL&P.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and, at times, difficult, subjective or complex judgments. Changes in these estimates, assumptions and judgments, in and of themselves, could materially impact our financial position, results of operations or cash flows. Our management discusses with the Audit Committee of our Board of Trustees significant matters relating to critical accounting policies. Our critical accounting policies are discussed below. See the combined notes to our financial statements for further information concerning the accounting policies, estimates and assumptions used in the preparation of our financial statements.

Regulatory Accounting: Our Regulated companies are subject to rate-regulation that is based on cost recovery and meets the criteria for application of accounting guidance for rate-regulated operations, which considers the effect of regulation on the timing of the recognition of certain revenues and expenses. The Regulated companies' financial statements reflect the effects of the rate-making process.

The application of accounting guidance for rate-regulated enterprises results in recording regulatory assets and liabilities. Regulatory assets represent the deferral of incurred costs that are probable of future recovery in customer rates. Regulatory assets are amortized as the incurred costs are recovered through customer rates. In some cases, we record regulatory assets before approval for recovery has been received from the applicable regulatory commission. We must use judgment to conclude that costs deferred as regulatory assets are probable of future recovery. We base our conclusion on certain factors, including, but not limited to, regulatory precedent. Regulatory liabilities represent revenues received from customers to fund expected costs that have not yet been incurred or probable future refunds to customers.

We use our best judgment when recording regulatory assets and liabilities; however, regulatory commissions can reach different conclusions about the recovery of costs, and those conclusions could have a material impact on our financial statements. We believe it is probable that each of the Regulated companies will recover the regulatory assets that have been recorded. If we determine that we can no longer apply the accounting guidance applicable to rate-regulated enterprises to our operations, or that we cannot conclude it is probable that costs will be recovered from customers in future rates, the costs would be charged to earnings in the period in which the determination is made.

Unbilled Revenues: The determination of retail energy sales to residential, commercial and industrial customers is based on the reading of meters, which occurs regularly throughout the month. Billed revenues are based on these meter readings, and the majority of our recorded annual revenues is based on actual billings. Because customers are billed throughout the month based on pre-determined cycles rather than on a calendar month basis, an estimate of electricity or natural gas delivered to customers for which the customers have not yet been billed is calculated as of the balance sheet date.

Unbilled revenues represent an estimate of electricity or natural gas delivered to customers but not yet billed. Unbilled revenues are included in Operating Revenues on the statement of income and are assets on the balance sheet that are reclassified to Accounts Receivable in the following month as customers are billed. Such estimates are subject to adjustment when actual meter readings become available or when there is a change in our estimates.

The Regulated companies estimate unbilled sales monthly using the daily load cycle method. The daily load cycle method allocates billed sales to the current calendar month based on the daily load for each billing cycle. The billed sales are subtracted from total month load, net of delivery losses, to estimate unbilled sales. Unbilled revenues are estimated by first allocating unbilled sales to the respective customer classes, then applying an estimated rate by customer class to those sales. The estimate of unbilled revenues is sensitive to factors such as energy demand, weather and changes in the composition of customer classes that can significantly impact the amount of revenues recorded at NSTAR Electric and PSNH because they do not have a revenue decoupling mechanism. CL&P and WMECO record a regulatory deferral to reflect the actual allowed amount of revenue for decoupling, and unbilled revenues estimation is not critical to CL&P and WMECO.

Pension and PBOP: We sponsor Pension and PBOP Plans to provide retirement benefits to our employees. Effective January 1, 2015, the two Pension Plans were merged into one Pension Plan, sponsored by Eversource Service, and our PBOP Plans were merged into one PBOP Plan, sponsored by Eversource Service. For each of these plans, several significant assumptions are used to determine the projected benefit obligation, funded status and net periodic benefit cost. These assumptions include the expected long-term rate of return on plan assets, discount rate, compensation/progression rate, mortality assumptions, and health care cost trend rates. We evaluate these assumptions at least annually and adjust them as necessary. Changes in these assumptions could have a material impact on our financial position, results of operations or cash flows.

Pre-tax net periodic benefit expense for the Pension Plan (excluding the SERP Plans) was \$124.2 million, \$118.4 million and \$236.3 million for the years ended December 31, 2015, 2014 and 2013, respectively. The pre-tax net periodic benefit expense for the PBOP Plan was \$2.4 million, \$8.1 million and \$32.6 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Expected Long-Term Rate of Return on Plan Assets: In developing this assumption, we consider historical and expected returns as well as input from our consultants. Our expected long-term rate of return on assets is based on assumptions regarding target asset allocations and corresponding expected rates of return for each asset class. We routinely review the actual asset allocations and periodically rebalance the investments to the targeted asset allocations when appropriate. For the year ended December 31, 2015, our aggregate expected long-term rate of return assumption of 8.25 percent was used to determine our pension and PBOP expense. For the forecasted 2016 pension and PBOP expense, our expected long-term rate of return of 8.25 percent for all plans was used reflecting our target asset allocations.

Discount Rate: Payment obligations related to the Pension and PBOP Plans are discounted at interest rates applicable to the expected timing of each plan's cash flows. The discount rate that was utilized in determining the 2015 pension and PBOP obligations was based on a yield-curve approach.

This approach utilizes a population of bonds with an average rating of AA based on bond ratings by Moody's, S&P and Fitch, and uses bonds with above median yields within that population. As of December 31, 2015, the discount rates used to determine the funded status were 4.6 percent for the Pension Plan and 4.62 percent for the PBOP Plan. As of December 31, 2014, the discount rates used were 4.2 percent for the Pension Plans and 4.22 percent for the PBOP Plans. The increase in the discount rate used to calculate the funded status resulted in a decrease on the Pension and PBOP Plan's liability of approximately \$267 million and \$60 million, respectively, as of December 31, 2015.

Compensation/Progression Rate: This assumption reflects the expected long-term salary growth rate, including consideration of the levels of increases built into collective bargaining agreements, and impacts the estimated benefits that Pension Plan participants receive in the future. As of both December 31, 2015 and 2014, the compensation/progression rate used to determine the funded status was 3.5 percent.

Mortality Assumptions: Assumptions as to mortality of the participants in our Pension and PBOP Plans are a key estimate in measuring the expected payments a participant may receive over their lifetime and the corresponding plan liability we need to record. During 2014, the Society of Actuaries released a series of updated mortality tables resulting from studies that measured mortality rates for various groups of individuals. The updated mortality tables released in 2014 increased the life expectancy of plan participants by three to five years and had the effect of increasing the estimated benefits to be provided to plan participants. The impact of adopting the updated mortality tables on Eversource's liability as of December 31, 2014 was an increase of approximately \$340 million and \$82 million for the Pension and PBOP Plans, respectively. In 2015, a revised scale for the mortality table was released having the effect of decreasing the estimate of benefits to be provided to plan participants. The impact of the adoption of the new mortality scale resulted in a decrease of \$48 million and \$23 million for the Pension and PBOP Plans' liability, respectively, as of December 31, 2015.

Actuarial Determination of Expense: Pension and PBOP expense is determined by our actuaries and consists of service cost and prior service cost, interest cost based on the discounting of the obligations, and amortization of actuarial gains and losses, offset by the expected return on plan assets. Actuarial gains and losses represent differences between assumptions and actual information or updated assumptions.

The expected return on plan assets is determined by applying the assumed long-term rate of return to the Pension and PBOP Plan asset balances. This calculated expected return is compared to the actual return or loss on plan assets at the end of each year to determine the investment gains or losses to be immediately reflected in unrecognized actuarial gains and losses.

Forecasted Expenses and Expected Contributions: We estimate that the expense for the Pension Plan (excluding the SERP Plans) will be approximately \$65 million and income for the PBOP Plan will be approximately \$7.7 million, respectively, in 2016. Effective January 1, 2016, we elected to transition the discount rate to the spot rate methodology from the yield-curve approach for the service and interest cost components of Pension and PBOP expense because it provides a more precise measurement by matching projected cash flows to the corresponding spot rates on the yield curve. Historically, these components were estimated using the same weighted-average discount rate as for the funded status. The discount rates used to estimate the 2016 service costs are 4.91 percent and 5.14 percent for the Pension and PBOP Plans, respectively. The discount rates used to estimate the 2016 interest costs are 3.80 percent and 3.72 percent for the Pension and PBOP Plans, respectively. Pension and PBOP expense for subsequent years will depend on future investment performance, changes in future discount rates and other assumptions, and various other factors related to the populations participating in the plans. Pension and PBOP expense charged to earnings is net of the amounts capitalized.

Our policy is to annually fund the Pension Plan in an amount at least equal to the amount that will satisfy all federal funding requirements. We contributed \$154.6 million to the Pension Plan in 2015. We currently estimate approximately \$146 million of contributions to the Pension Plan in 2016.

For the PBOP Plan, it is our policy to annually fund the PBOP Plan through tax deductible contributions to external trusts. We contributed \$7.9 million to the PBOP Plan in 2015. We currently estimate approximately \$9.5 million in contributions to the PBOP Plan in 2016.

Sensitivity Analysis: The following represents the hypothetical increase to the Pension Plan's (excluding the SERP Plans) and PBOP Plan's reported annual cost as a result of a change in the following assumptions by 50 basis points:

| (Millions of Dollars) | | Increase in Pension Plan Cost | | Increase in PBOP Plan Cost | | | | |
|-----------------------------------------|------------|-------------------------------|------|----------------------------|------|-----|----|-----|
| Assumption Change | Eversource | As of December 31, | | | | | | |
| | | 2015 | 2014 | 2015 | 2014 | | | |
| Lower expected long-term rate of return | \$ | 20.6 | \$ | 19.3 | \$ | 4.2 | \$ | 4.0 |
| Lower discount rate | \$ | 26.3 | \$ | 19.1 | \$ | 6.2 | \$ | 2.2 |
| Higher compensation rate | \$ | 12.4 | \$ | 10.2 | | N/A | | N/A |

Health Care Cost: As of December 31, 2015, the health care cost trend rate assumption used to determine the PBOP Plan's year end funded status was 6.25 percent, subsequently decreasing to an ultimate rate of 4.5 percent in 2023. The effect of a hypothetical increase in the health care cost trend rate by one percentage point would be an increase to the service and interest cost components of PBOP Plan expense by \$8.5 million in 2015, and a \$115.3 million increase to the PBOP obligation.

Goodwill: We have recorded approximately \$3.5 billion of goodwill associated with previous mergers and acquisitions. We have identified our reporting units for purposes of allocating and testing goodwill as Electric Distribution, Electric Transmission and Natural Gas Distribution. These reporting units are consistent with our operating segments underlying our reportable segments. Electric Distribution and Electric Transmission reporting units include carrying values for the respective components of CL&P, NSTAR Electric, PSNH and WMECO. The Natural Gas Distribution reporting unit includes the carrying values of NSTAR Gas and Yankee Gas. As of December 31, 2015, goodwill was allocated to the reporting units as follows: \$2.5 billion to Electric Distribution, \$0.6 billion to Electric Transmission, and \$0.4 billion to Natural Gas Distribution.

We are required to test goodwill balances for impairment at least annually by considering the fair values of the reporting units, which requires us to use estimates and judgments. We have selected October 1st of each year as the annual goodwill impairment testing date. Goodwill impairment is deemed to exist if the carrying value of a reporting unit exceeds its estimated fair value and if the implied fair value of goodwill based on the estimated fair values of the reporting units' assets and liabilities is less than the carrying amount of the goodwill. If goodwill were deemed to be impaired, it would be written down in the current period to the extent of the impairment.

We performed an impairment test of goodwill as of October 1, 2015 for the Electric Distribution, Electric Transmission and Natural Gas Distribution reporting units. This evaluation required the consideration of several factors that impact the fair value of the reporting units, including conditions and assumptions that affect the future cash flows of the reporting units. Key considerations include discount rates, utility sector market performance and merger transaction multiples, and internal estimates of future cash flows and net income.

The 2015 goodwill impairment test resulted in a conclusion that goodwill is not impaired and no reporting unit is at risk of a goodwill impairment.

Income Taxes: Income tax expense is estimated for each of the jurisdictions in which we operate and is recorded each quarter using an estimated annualized effective tax rate. This process to record income tax expense involves estimating current and deferred income tax expense or benefit and the impact of temporary differences resulting from differing treatment of items for financial reporting and income tax return reporting purposes. Such differences are the result of timing of the deduction for expenses, as well as any impact of permanent differences, non-tax deductible expenses, or other items that directly impact income tax expense as a result of regulatory activity (flow-through items). The temporary differences and flow-through items result in deferred tax assets and liabilities that are included in the balance sheets.

We also account for uncertainty in income taxes, which applies to all income tax positions previously filed in a tax return and income tax positions expected to be taken in a future tax return that have been reflected on our balance sheets. The determination of whether a tax position meets the recognition threshold under applicable accounting guidance is based on facts and circumstances available to us. Once a tax position meets the recognition threshold, the tax benefit is measured using a cumulative probability assessment. Assigning probabilities in measuring a recognized tax position and evaluating new information or events in subsequent periods requires significant judgment and could change previous conclusions used to measure the tax position estimate. New information or events may include tax examinations or appeals (including information gained from those examinations), developments in case law, settlements of tax positions, changes in tax law and regulations, rulings by taxing authorities and statute of limitation expirations. Such information or events may have a significant impact on our financial position, results of operations and cash flows.

Accounting for Environmental Reserves: Environmental reserves are accrued when assessments indicate it is probable that a liability has been incurred and an amount can be reasonably estimated. Adjustments made to estimates of environmental liabilities could have an adverse impact on earnings. We estimate these liabilities based on findings through various phases of the assessment, considering the most likely action plan from a variety of available remediation options (ranging from no action required to full site remediation and long-term monitoring), current site information from our site assessments, remediation estimates from third party engineering and remediation contractors, and our prior experience in remediating contaminated sites. If a most likely action plan cannot yet be determined, we estimate the liability based on the low end of a range of possible action plans. A significant portion of our environmental sites and reserve amounts relate to former MGP sites that were operated several decades ago and manufactured gas from coal and other processes, which resulted in certain by-products remaining in the environment that may pose a potential risk to human health and the environment. As assessments on these sites are performed, we may receive new information to be considered in our estimates related to the extent and nature of the contamination and the costs of required remediation.

Our estimates also incorporate currently enacted state and federal environmental laws and regulations and data released by the EPA and other organizations. The estimates associated with each possible action plan are judgmental in nature partly because there are usually several different remediation options from which to choose. Our estimates are subject to revision in future periods based on actual costs or new information from other sources, including the level of contamination at the site, the extent of our responsibility or the extent of remediation required, recently enacted laws and regulations or a change in cost estimates due to certain economic factors.

Fair Value Measurements: We follow fair value measurement guidance that defines fair value as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). We have applied this guidance to our Company's derivative contracts that are not elected or designated as "normal purchases or normal sales" (normal), to marketable securities held in trusts, to our investments in our Pension and PBOP Plans, and to nonfinancial assets such as goodwill and AROs. This guidance was also applied in estimating the fair value of preferred stock and long-term debt.

Changes in fair value of the Regulated company derivative contracts are recorded as Regulatory Assets or Liabilities, as we recover the costs of these contracts in rates charged to customers. These valuations are sensitive to the prices of energy and energy-related products in future years for which markets have not yet developed and assumptions are made.

We use quoted market prices when available to determine the fair value of financial instruments. If quoted market prices are not available, fair value is determined using quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments that are not active and model-derived valuations. When quoted prices in active markets for the same or similar instruments are not available, we value derivative contracts using models that incorporate both observable and unobservable inputs. Significant unobservable inputs utilized in the models include energy and energy-related product prices for future years for long-dated derivative contracts and market volatilities. Discounted cash flow valuations incorporate estimates of premiums or discounts, reflecting risk adjusted profit that would be required by a market participant to arrive at an exit price, using available historical market transaction information. Valuations of derivative contracts also reflect our estimates of nonperformance risk, including credit risk.

Other Matters

Accounting Standards: For information regarding new accounting standards, see Note 1C, "Summary of Significant Accounting Policies - Accounting Standards," to the financial statements.

Contractual Obligations and Commercial Commitments: Information regarding our contractual obligations and commercial commitments as of December 31, 2015 is summarized annually through 2020 and thereafter as follows:

| Eversource (Millions of Dollars) | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|--------------------|--------------------|
| Long-term debt maturities ^(a) | \$ 200.0 | \$ 745.0 | \$ 960.0 | \$ 800.0 | \$ 295.0 | \$ 5,736.6 | \$ 8,736.6 |
| Estimated interest payments on existing debt ^(b) | 371.2 | 366.6 | 313.1 | 284.2 | 245.8 | 2,849.6 | 4,430.5 |
| Capital leases ^(c) | 2.2 | 2.1 | 2.1 | 2.0 | 2.0 | 1.4 | 11.8 |
| Operating leases ^(d) | 16.4 | 13.8 | 10.4 | 8.5 | 6.8 | 15.4 | 71.3 |
| Funding of pension obligations ^{(d)(e)} | 146.0 | 167.5 | 114.5 | 70.6 | 20.2 | - | 518.8 |
| Funding of PBOP obligations ^(d) | 9.5 | 9.2 | 9.4 | 9.6 | - | - | 37.7 |
| Estimated future annual long-term contractual costs ^(f) | 684.5 | 590.6 | 442.3 | 376.2 | 344.9 | 2,371.7 | 4,810.2 |
| Total ^(g) | \$ 1,429.8 | \$ 1,894.8 | \$ 1,851.8 | \$ 1,551.1 | \$ 914.7 | \$ 10,974.7 | \$ 18,616.9 |

| CL&P (Millions of Dollars) | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|--------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| Long-term debt maturities ^(a) | \$ - | \$ 250.0 | \$ 300.0 | \$ 250.0 | \$ - | \$ 1,990.3 | \$ 2,790.3 |
| Estimated interest payments on existing debt ^(b) | 140.0 | 136.0 | 117.8 | 102.4 | 95.5 | 1,402.7 | 1,994.4 |
| Capital leases ^(c) | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 | 1.4 | 11.2 |
| Operating leases ^(d) | 2.9 | 2.0 | 1.3 | 1.0 | 0.7 | 1.7 | 9.6 |
| Funding of pension obligations ^{(d)(e)} | 0.4 | 15.5 | 26.3 | 21.1 | 6.1 | - | 69.4 |
| Estimated future annual long-term contractual costs ^(f) | 279.4 | 207.9 | 159.5 | 126.9 | 114.5 | 711.6 | 1,599.8 |
| Total ^(g) | \$ 424.6 | \$ 613.3 | \$ 606.9 | \$ 503.4 | \$ 218.8 | \$ 4,107.7 | \$ 6,474.7 |

- (a) Long-term debt maturities exclude the CYAPC pre-1983 spent nuclear fuel obligation, net unamortized premiums, discounts and debt issuance costs, and other fair value adjustments.
- (b) Estimated interest payments on fixed-rate debt are calculated by multiplying the coupon rate on the debt by its scheduled notional amount outstanding for the period of measurement. Estimated interest payments on floating-rate debt are calculated by multiplying the end of 2015 floating-rate reset on the debt by its scheduled notional amount outstanding for the period of measurement. This same rate is then assumed for the remaining life of the debt.
- (c) The capital lease obligations include interest.
- (d) Amounts are not included on our balance sheets.
- (e) These amounts represent Eversource's estimated pension contributions to its qualified Pension Plan. Contributions in 2017 through 2020 and thereafter will vary depending on many factors, including the performance of existing plan assets, valuation of the plan's liabilities and long-term discount rates, and are subject to change.
- (f) Other than certain derivative contracts held by the Regulated companies, these obligations are not included on our balance sheets.
- (g) Does not include other long-term liabilities recorded on our balance sheet, such as environmental reserves, employee medical insurance, workers compensation and long-term disability insurance reserves, ARO liability reserves and other reserves, as we cannot make reasonable estimates of the timing of payments. Also does not include amounts not included on our balance sheets for future funding of the Access Northeast project or for a contingent commitment of approximately \$20 million to an energy investment fund, which would be invested under certain conditions, as we cannot make reasonable estimates of the periods or the investment contributions.

For further information regarding our contractual obligations and commercial commitments, see Note 6, "Asset Retirement Obligations," Note 7, "Short-Term Debt," Note 8, "Long-Term Debt," Note 9A, "Employee Benefits - Pension Benefits and Postretirement Benefits Other Than Pensions," Note 11, "Commitments and Contingencies," and Note 12, "Leases," to the financial statements.

RESULTS OF OPERATIONS – EVERSOURCE ENERGY AND SUBSIDIARIES

The following provides the amounts and variances in operating revenues and expense line items in the statements of income for Eversource for the years ended December 31, 2015, 2014, and 2013 included in this Annual Report on Form 10-K.

Comparison of 2015 to 2014:

| (Millions of Dollars) | For the Years Ended December 31, | | | |
|-----------------------------------------------------|----------------------------------|------------|-------------------------|---------|
| | 2015 | 2014 | Increase/ (Decrease) | Percent |
| Operating Revenues | \$ 7,954.8 | \$ 7,741.9 | \$ 212.9 | 2.7 % |
| Operating Expenses: | | | | |
| Purchased Power, Fuel and Transmission | 3,086.9 | 3,021.6 | 65.3 | 2.2 |
| Operations and Maintenance | 1,329.3 | 1,427.6 | (98.3) | (6.9) |
| Depreciation | 665.9 | 614.7 | 51.2 | 8.3 |
| Amortization of Regulatory Assets, Net | 22.3 | 10.7 | 11.6 | (a) |
| Energy Efficiency Programs | 495.7 | 473.1 | 22.6 | 4.8 |
| Taxes Other Than Income Taxes | 590.5 | 561.4 | 29.1 | 5.2 |
| Total Operating Expenses | 6,190.6 | 6,109.1 | 81.5 | 1.3 |
| Operating Income | 1,764.2 | 1,632.8 | 131.4 | 8.0 |
| Interest Expense | 372.4 | 362.1 | 10.3 | 2.8 |
| Other Income, Net | 34.2 | 24.6 | 9.6 | 39.0 |
| Income Before Income Tax Expense | 1,426.0 | 1,295.3 | 130.7 | 10.1 |
| Income Tax Expense | 540.0 | 468.3 | 71.7 | 15.3 |
| Net Income | 886.0 | 827.0 | 59.0 | 7.1 |
| Net Income Attributable to Noncontrolling Interests | 7.5 | 7.5 | - | - |
| Net Income Attributable to Common Shareholders | \$ 878.5 | \$ 819.5 | \$ 59.0 | 7.2 % |

(a) Percent greater than 100 percent not shown as it is not meaningful.

Operating Revenues

| (Millions of Dollars) | For the Years Ended December 31, | | | |
|--------------------------|----------------------------------|------------|--------------------------|---------|
| | 2015 | 2014 | Increase / (Decrease) | Percent |
| Electric Distribution | \$ 5,903.6 | \$ 5,663.4 | \$ 240.2 | 4.2 % |
| Natural Gas Distribution | 995.5 | 1,007.3 | (11.8) | (1.2) |
| Electric Transmission | 1,069.1 | 1,018.2 | 50.9 | 5.0 |
| Other and Eliminations | (13.4) | 53.0 | (66.4) | (a) |
| Total Operating Revenues | \$ 7,954.8 | \$ 7,741.9 | \$ 212.9 | 2.7 % |

(a) Percent greater than 100 percent not shown as it is not meaningful.

A summary of our retail electric sales volumes and firm natural gas sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|------------------------------------------------------|----------------------------------|---------|-------------------------|---------|
| | 2015 | 2014 | Increase/ (Decrease) | Percent |
| Electric Sales Volumes in GWh: | | | | |
| Traditional | 28,982 | 28,811 | 171 | 0.6 % |
| Decoupled | 25,634 | 25,631 | 3 | - |
| Total Electric Sales Volumes in GWh | 54,616 | 54,442 | 174 | 0.3 % |
| Firm Natural Gas Sales Volumes in Million Cubic Feet | 102,999 | 104,191 | (1,192) | (1.1)% |

Operating Revenues, which primarily consist of base electric and natural gas distribution revenues and tracked revenues further described below, increased by \$212.9 million in the aggregate in 2015 compared to 2014.

Base electric and natural gas distribution revenues: Base electric distribution segment revenues increased \$150.9 million due primarily to CL&P's base distribution rate increase, effective December 1, 2014 (\$136.3 million) and higher retail sales volumes driven by weather impacts at our non-decoupled operating companies (traditional). In addition, Operating Revenues increased \$19.9 million at CL&P due to the PURA-approved settlement agreement regarding ADIT, \$11 million for the Comprehensive Settlement Agreement associated with the recovery of LBR related to 2009 through 2011 energy efficiency programs at NSTAR Electric, and \$20.7 million increase of 2015 LBR recognition at NSTAR Electric compared to 2014 LBR amounts. The \$19.9 million represents CL&P's revenue requirement from the settlement agreement's rate increase through December 31, 2015, and is being collected from customers in rates over a 24-month period beginning December 1, 2015. The impact of colder winter weather experienced in the first quarter of 2015 and warmer weather in the third quarter of 2015, partially offset by milder winter weather in the fourth quarter of 2015, all as compared to the same periods in 2014, were the primary drivers of the increase in 2015 retail electric sales volumes of 0.6 percent and base electric distribution revenues at NSTAR Electric and PSNH.

For CL&P (effective December 1, 2014) and WMECO, fluctuations in retail electric sales volumes do not impact earnings due to their respective regulatory commission approved revenue decoupling mechanisms. The revenue decoupling mechanisms permit recovery of a base amount of distribution revenues and break the relationship between sales volumes and revenues recognized. Revenue decoupling mechanisms result in the

recovery of our approved base distribution revenue requirements. Therefore, changes in sales volumes had no impact on the level of base distribution revenue realized at our decoupled companies.

Firm natural gas base distribution segment revenues decreased \$4.9 million due primarily to a 1.1 percent decrease in firm natural gas sales volumes in 2015, as compared to 2014. This was due to record warm weather in the fourth quarter of 2015 when compared to 2014, partially offset by colder winter weather in the first quarter of 2015 compared to 2014. Weather-normalized firm natural gas sales volumes (based on 30-year average temperatures) increased 2.5 percent in 2015 compared to 2014, due primarily to improved economic conditions as well as residential and commercial customer growth, partially offset by the impact of customer conservation efforts resulting from company-sponsored energy efficiency programs.

Tracked distribution revenues: Tracked revenues consist of certain costs that are recovered from customers in rates through regulatory commission-approved cost tracking mechanisms and therefore have no impact on earnings. Costs recovered through cost tracking mechanisms include energy supply procurement costs and other energy-related costs for our electric and natural gas customers, retail transmission charges, energy efficiency program costs, and restructuring and stranded cost recovery revenues. Tracked electric distribution segment revenues increased primarily as a result of increases in energy supply costs (\$176.4 million), driven by increased average retail rates, and increases in energy efficiency program revenues (\$18.3 million). These increases were partially offset by a decrease in retail electric transmission charges (\$77.5 million) and a decrease in the federally mandated congestion charge primarily driven by refunds in 2015 for a prior year overrecovery (\$103.9 million). Tracked natural gas supply revenues decreased \$20.1 million as a result of a decrease in average rates related to the recovery of natural gas supply costs.

Electric transmission revenues: The electric transmission segment revenues increased by \$50.9 million due primarily to the result of lower reserves associated with the FERC ROE complaint proceedings in 2015 compared to 2014 and higher revenue requirements associated with ongoing investments in our transmission infrastructure.

Other: Other revenues decreased due primarily to the sale of Eversource's unregulated contracting business on April 13, 2015 (\$55 million).

Purchased Power, Fuel and Transmission expense includes costs associated with purchasing electricity and natural gas on behalf of our customers. These energy supply costs are recovered from customers in rates through reconciling cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power, Fuel and Transmission increased in 2015, as compared to 2014, due primarily to the following:

| (Millions of Dollars) | Increase/(Decrease) |
|----------------------------------------------|---------------------|
| Electric Distribution | \$ 74.8 |
| Natural Gas Distribution | (1.6) |
| Electric Transmission | 2.8 |
| Other and Eliminations | (10.7) |
| Total Purchased Power, Fuel and Transmission | \$ 65.3 |

The increase in purchased power costs at the electric distribution business was driven by higher prices associated with the procurement of energy supply in 2015, as compared to 2014. The decrease in purchased power costs at the natural gas distribution business was due to lower average natural gas prices in 2015, as compared to 2014.

Operations and Maintenance expense includes tracked costs and costs that are part of base electric and natural gas distribution rates with changes impacting earnings (non-tracked costs). Operations and Maintenance decreased in 2015, as compared to 2014, due primarily to the following:

| (Millions of Dollars) | Increase/(Decrease) |
|----------------------------------------------------------------------------------------------------------|---------------------|
| Base Electric Distribution: | |
| Resolution of basic service bad debt adder mechanism at NSTAR Electric | \$ (24.2) |
| Contribution to create clean energy fund in connection with the generation divestiture agreement at PSNH | 5.0 |
| Increase in employee-related expenses, including labor and benefits | 1.8 |
| Other operations and maintenance | 7.0 |
| Total Base Electric Distribution | (10.4) |
| Total Base Natural Gas Distribution | (1.5) |
| Total Tracked costs (Transmission and Electric and Natural Gas Distribution) | (9.3) |
| Total Distribution and Transmission | (21.2) |
| Other and eliminations: | |
| Integration costs | (8.4) |
| Absence of Eversource's unregulated electrical contracting business due to sale in April 2015, net | (45.7) |
| Merger-related costs allowed for recovery | (7.0) |
| ES Parent and Other Companies | (16.0) |
| Total Operations and Maintenance | \$ (98.3) |

Depreciation increased in 2015, as compared to 2014, due primarily to higher utility plant in service balances resulting from completed construction projects placed into service and an increase in depreciation rates at CL&P as a result of the distribution rate case effective December 1, 2014.

Amortization of Regulatory Assets, Net, which are tracked costs, include certain regulatory-approved tracking mechanisms. Fluctuations in these costs are recovered from customers in rates and have no impact on earnings. Amortization of Regulatory Assets, Net, increased in 2015, as compared to 2014, due primarily to the following:

| <i>(Millions of Dollars)</i> | <u>Increase/(Decrease)</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| CL&P: | |
| Amortization increase (including storm cost recovery) approved and included in base distribution rates | \$ 61.0 |
| Energy and energy-related supply costs tracking mechanism | (108.0) |
| NSTAR Electric (primarily the recognition of the Comprehensive Settlement Agreement, partially offset by transition costs tracking mechanism) | (6.7) |
| PSNH (primarily default energy service charge tracking mechanism) | 45.9 |
| WMECO (primarily the absence of the refund of DOE proceeds to customers in 2014 and energy and energy-related cost tracking mechanisms) | 20.7 |
| Other | (1.3) |
| Total Amortization of Regulatory Assets, Net | <u>\$ 11.6</u> |

The increase in CL&P's amortization was due primarily to an increase in storm cost recovery, which was approved and included in distribution rates effective December 1, 2014. In connection with the Comprehensive Settlement Agreement associated with the CPSL program filings, NSTAR Electric recognized an \$11.7 million benefit in the first quarter of 2015, which was recorded as a reduction to amortization expense.

The remaining fluctuations in amortization expense are driven by the deferral of energy supply and energy-related costs, which can fluctuate from period to period based on the timing of costs incurred and related rate changes to recover these costs. Fluctuations in energy supply and energy-related costs, which are the primary drivers in amortization, are recovered from customers in rates and have no impact on earnings.

Energy Efficiency Programs, which are tracked costs, increased in 2015, as compared to 2014, due primarily to an increase in energy efficiency costs in accordance with the three-year program guidelines established by the DPU at NSTAR Electric.

Taxes Other Than Income Taxes increased in 2015, as compared to 2014, due primarily to an increase in property taxes as a result of both an increase in utility plant balances and property tax rates.

Interest Expense increased in 2015, as compared to 2014, due primarily to an increase in interest on long-term debt (\$9.3 million) as a result of new debt issuances in 2015 and an increase in interest on notes payable (\$1.9 million).

Other Income, Net increased in 2015, as compared to 2014, due primarily to higher equity AFUDC amounts (\$5.1 million) and an increase in interest income related to the deferred compensation plans (\$4.3 million), partially offset by the absence in 2015 of a gain on the sale of land recorded in 2014 at CL&P (\$4.5 million).

Income Tax Expense increased in 2015, as compared to 2014, due primarily to higher pre-tax earnings (\$45.7 million), higher state taxes, the impact of adjusting our estimated tax expense to what was filed on our tax return (provision to return), the lower tax benefit in 2015 compared to 2014 from a change in tax reserves (\$19.8 million), and higher items that impact our tax rate as a result of regulatory treatment (flow-through items) (\$6.2 million).

Comparison of 2014 to 2013:

| (Millions of Dollars) | For the Years Ended December 31, | | | |
|-----------------------------------------------------|----------------------------------|------------|-------------------------|---------|
| | 2014 | 2013 | Increase/ (Decrease) | Percent |
| Operating Revenues | \$ 7,741.9 | \$ 7,301.2 | \$ 440.7 | 6.0 % |
| Operating Expenses: | | | | |
| Purchased Power, Fuel and Transmission | 3,021.6 | 2,483.0 | 538.6 | 21.7 |
| Operations and Maintenance | 1,427.6 | 1,515.0 | (87.4) | (5.8) |
| Depreciation | 614.7 | 610.8 | 3.9 | 0.6 |
| Amortization of Regulatory Assets, Net | 10.7 | 206.3 | (195.6) | (94.8) |
| Amortization of Rate Reduction Bonds | - | 42.6 | (42.6) | (100.0) |
| Energy Efficiency Programs | 473.1 | 401.9 | 71.2 | 17.7 |
| Taxes Other Than Income Taxes | 561.4 | 512.2 | 49.2 | 9.6 |
| Total Operating Expenses | 6,109.1 | 5,771.8 | 337.3 | 5.8 |
| Operating Income | 1,632.8 | 1,529.4 | 103.4 | 6.8 |
| Interest Expense | 362.1 | 338.7 | 23.4 | 6.9 |
| Other Income, Net | 24.6 | 29.9 | (5.3) | (17.7) |
| Income Before Income Tax Expense | 1,295.3 | 1,220.6 | 74.7 | 6.1 |
| Income Tax Expense | 468.3 | 426.9 | 41.4 | 9.7 |
| Net Income | 827.0 | 793.7 | 33.3 | 4.2 |
| Net Income Attributable to Noncontrolling Interests | 7.5 | 7.7 | (0.2) | (2.6) |
| Net Income Attributable to Controlling Interest | \$ 819.5 | \$ 786.0 | \$ 33.5 | 4.3 % |

Operating Revenues

| (Millions of Dollars) | For the Years Ended December 31, | | | |
|--------------------------|----------------------------------|------------|-------------------------|---------|
| | 2014 | 2013 | Increase/ (Decrease) | Percent |
| Electric Distribution | \$ 5,663.4 | \$ 5,362.3 | \$ 301.1 | 5.6 % |
| Natural Gas Distribution | 1,007.3 | 855.8 | 151.5 | 17.7 |
| Transmission | 1,018.2 | 978.7 | 39.5 | 4.0 |
| Other and Eliminations | 53.0 | 104.4 | (51.4) | (49.2) |
| Total Operating Revenues | \$ 7,741.9 | \$ 7,301.2 | \$ 440.7 | 6.0 % |

A summary of our retail electric sales volumes and firm natural gas sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|------------------------------------------------------|----------------------------------|--------|-------------------------|---------|
| | 2014 | 2013 | Increase/ (Decrease) | Percent |
| Retail Electric Sales Volumes in GWh | 54,442 | 55,331 | (889) | (1.6)% |
| Firm Natural Gas Sales Volumes in Million Cubic Feet | 104,191 | 98,258 | 5,933 | 6.0 |

Operating Revenues increased \$440.7 million in 2014 compared to 2013.

The most significant factor in the increase in revenues relates to cost tracking mechanisms for the recovery of higher costs associated with the procurement of energy supply, which increased \$506.8 million and \$126.9 million for electric distribution and natural gas distribution, respectively.

These costs were impacted by the overall New England wholesale energy supply market in which higher natural gas delivery costs had an adverse impact on the cost of electric energy purchased for our retail electric customers and the cost of natural gas purchased on behalf of our retail natural gas customers. Energy supply costs are recovered from customers in rates through cost tracking mechanisms and therefore have no impact on earnings.

These costs and related recovery impacts were partially offset by decreases in transition cost recovery revenues, which are recovered through cost tracking mechanisms, reflecting the full collection in 2013 of previously deferred costs, as well as the full amortization of RRBs.

Firm base natural gas distribution revenues increased \$26.3 million in 2014, as compared to 2013, which reflected a 6 percent increase in firm natural gas sales volumes. The increase in sales volumes was driven primarily by the colder winter weather experienced throughout our service territories in the first quarter of 2014. The weather conditions experienced were significantly colder than both normal and the same period last year throughout New England and our service territories in Connecticut and Massachusetts. Weather-normalized total firm natural gas sales volumes (based on 30-year average temperatures) increased 2.9 percent in 2014, as compared to 2013, due primarily to residential and commercial customer growth.

Base electric distribution revenues decreased \$12.1 million in 2014 compared to 2013. This reflected the impact of a 1.6 percent decrease in retail electric sales volumes. The decrease in sales volumes was driven primarily by the cooler summer weather in 2014 compared to 2013, as well as the impact of our utility-sponsored energy efficiency programs. Weather-normalized retail electric sales volumes decreased 1 percent in 2014, as compared to 2013, reflecting the impact of our utility-sponsored energy efficiency programs. The negative sales volume impact was partially offset by the impact of CL&P's base distribution rate increase effective December 1, 2014.

CL&P and NSTAR Electric recognized lost base revenue (LBR) related to reductions in sales volume as a result of energy efficiency. LBR is recovered from retail distribution customers. Including the impact from the recognition of LBR, base distribution revenues increased in 2014, as compared to 2013. We recognized \$45.2 million of LBR in 2014, compared to \$20.3 million in 2013. Effective December 1, 2014, CL&P no longer recognizes LBR due to its revenue decoupling mechanism, which, similar to WMECO's revenue decoupling mechanism, provides a base amount of distribution revenues (\$1.059 billion on an annual basis) that effectively breaks the relationship between revenues and customer electricity usage. The revenue decoupling mechanism is designed to allow each of CL&P and WMECO to encourage energy efficiency for its customers without negatively impacting its revenues.

Transmission revenues increased \$39.5 million in 2014, as compared to 2013, due primarily to the recovery of higher revenue requirements associated with ongoing investments in our transmission infrastructure. This increase was partially offset by the impact of the \$37 million net reserve recorded in 2014 as a result of the 2014 FERC ROE orders, compared to the \$23.7 million reserve recorded in 2013 for the FERC ALJ initial decision in the FERC base ROE complaints.

Purchased Power, Fuel and Transmission expense includes costs associated with purchasing electricity and natural gas on behalf of our customers.

These energy supply costs are recovered from customers in rates through reconciling cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power, Fuel and Transmission increased in 2014, as compared to 2013, due primarily to the following:

| <i>(Millions of Dollars)</i> | Increase/(Decrease) |
|-----------------------------------------------------|----------------------------|
| Electric Distribution | \$ 458.2 |
| Natural Gas Distribution | 104.1 |
| Transmission | (2.8) |
| Other and Eliminations | (20.9) |
| Total Purchased Power, Fuel and Transmission | \$ 538.6 |

The increase in purchased power, fuel and transmission at the electric and natural gas distribution businesses were driven by the higher costs associated with the procurement of energy supply. As a result of increases in the New England wholesale energy supply market for both electricity and natural gas, the costs incurred to purchase energy on behalf of our customers were significantly higher in 2014 compared to 2013. Our energy supply costs were impacted by higher natural gas delivery costs, which had an adverse impact on the cost of electric energy purchased for our retail electric customers and the cost of natural gas purchased on behalf of our retail natural gas customers.

Operations and Maintenance expense includes tracked costs and costs that are recovered through base electric and natural gas distribution rates, which therefore impact earnings (non-tracked costs). Operations and Maintenance decreased in 2014, as compared to 2013, due primarily to the following:

| <i>(Millions of Dollars)</i> | Increase/(Decrease) |
|-------------------------------------------------------------------------------------|----------------------------|
| Base Electric Distribution: | |
| Labor and other employee-related costs, including pension costs | \$ (77.3) |
| Implementation of a new outage restoration program at CL&P | 9.2 |
| Storm restoration costs | (11.4) |
| All other operations and maintenance | (29.4) |
| Total Base Electric Distribution | (108.9) |
| Total Base Natural Gas Distribution | (0.9) |
| Total Tracked costs (Transmission and Electric and Natural Gas Distribution) | 16.6 |
| Total Distribution and Transmission | (93.2) |
| Other and eliminations: | |
| Integration and severance costs | 13.3 |
| All other (including eliminations) | (7.5) |
| Total Operations and Maintenance | \$ (87.4) |

Depreciation increased in 2014, as compared to 2013, due primarily to an increase related to higher utility plant balances resulting from completed construction projects placed into service (\$34.5 million), partially offset by a decrease in the CYAPC and YAEC decommissioning costs, which do not impact earnings (\$30.6 million).

Amortization of Regulatory Assets, Net, which are tracked costs, include certain regulatory-approved tracking mechanisms. Fluctuations in these costs are recovered from customers in rates and have no impact on earnings. Amortization of Regulatory Assets, Net, decreased in 2014, as compared to 2013, due primarily to the following:

| <i>(Millions of Dollars)</i> | Increase/(Decrease) |
|---------------------------------------------------------|----------------------------|
| NSTAR Electric (primarily recovery of transition costs) | \$ (236.4) |
| PSNH (primarily default energy service charge) | (9.2) |
| CL&P (primarily energy supply and energy-related costs) | 54.4 |
| WMECO (primarily recovery of transition costs) | (3.0) |
| Other | (1.4) |
| Total Amortization of Regulatory Assets, Net | \$ (195.6) |

Amortization of Rate Reduction Bonds decreased in 2014, as compared to 2013, due to the maturity in 2013 of RRBs of NSTAR Electric, PSNH and WMECO.

Energy Efficiency Programs, which are tracked costs, increased in 2014, as compared to 2013, due primarily to the expanded energy conservation programs at CL&P in 2014 as a result of 2013 legislative action, and an increase in energy efficiency costs in accordance with the three-year program guidelines established by the DPU at NSTAR Electric and WMECO, partially offset by a decrease in the amortization of previously deferred costs at NSTAR Electric.

Taxes Other Than Income Taxes increased in 2014, as compared to 2013, due primarily to an increase in property taxes as a result of both an increase in utility plant balances and property tax rates.

Interest Expense increased in 2014, as compared to 2013, due primarily to lower interest income related to a decrease in the recovery of previously deferred transition costs (\$9.9 million), an increase in interest on long-term debt (\$4 million) as a result of new debt issuances in 2014 and the absence in 2014 of the favorable impact from the resolution of a Connecticut state income tax audit in 2013.

Other Income, Net decreased in 2014, as compared to 2013, due primarily to lower unrealized gains on the assets supporting the deferred compensation plans (\$13 million), and the absence in 2014 of an insurance policy claim received in 2013 (\$1.5 million), partially offset by higher AFUDC related to equity funds (\$6.6 million), and a net gain on the sale of land (\$4.5 million).

Income Tax Expense increased in 2014, as compared to 2013, due primarily to higher pre-tax earnings (\$26.1 million), and higher state taxes and various other impacts (\$15.3 million). The higher state taxes include a net reduction in the valuation allowance for state tax positions, which is based on the most recent available data.

EARNINGS SUMMARY

Excluding the impact of integration costs, our 2014 earnings increased by \$41.8 million, as compared to 2013. The increase was due primarily to lower operations and maintenance costs that impact earnings, which were primarily driven by lower labor and other employee-related costs, including approximately \$30 million of non-tracked pension costs, and lower storm restoration costs, as well as higher firm natural gas sales volumes as a result of the colder weather in the first quarter of 2014, as compared to the first quarter of 2013. Partially offsetting this increase was the absence in 2014 of a favorable impact from the resolution of a state income tax audit in 2013, higher property taxes, higher depreciation expense at our regulated companies, and lower retail electric sales volumes as a result of cooler summer weather in 2014, as compared to the same period in 2013. Earnings were also unfavorably impacted by the 2014 after-tax net reserve of \$22.4 million related to the 2014 FERC ROE orders, as compared to the 2013 after-tax reserve of \$14.3 million related to the 2013 FERC ALJ initial decision in the FERC base ROE complaints.

Our electric distribution segment earnings increased \$35.4 million in 2014, as compared to 2013, due primarily to lower operations and maintenance costs that impact earnings, which were primarily driven by lower labor and other employee-related costs, including pension costs, and lower storm restoration costs. Partially offsetting these favorable earnings impacts, as compared to 2013, were higher property taxes and depreciation expense, lower retail electric sales volumes as a result of cooler summer weather in 2014, and the absence in 2014 of regulatory interest income on stranded cost deferrals in 2013.

Our transmission segment earnings increased \$8.4 million in 2014, as compared to 2013, due primarily to a decrease in transmission segment state income tax expense and a higher transmission rate base as a result of an increased investment in our transmission infrastructure. These favorable impacts were partially offset by the after-tax net reserve of \$22.4 million related to the 2014 FERC ROE orders, as compared to the \$14.3 million after-tax reserve related to the 2013 FERC ALJ initial decision in the FERC base ROE complaints.

Our natural gas distribution segment earnings increased \$11.4 million in 2014, as compared to 2013, due primarily to higher firm natural gas sales volumes and peak demand revenues resulting from colder weather in the first quarter of 2014 and additional natural gas heating customers.

ES parent and other companies, which include our unregulated businesses, had a net loss of \$10.6 million in 2014, compared with earnings of \$11.1 million in 2013. Excluding the impact of integration costs, ES parent and other companies earned \$11.5 million in 2014, compared with \$24.9 million in 2013. The earnings decrease in 2014 was due primarily to a higher effective tax rate.

LIQUIDITY

Cash flows provided by operating activities totaled \$1.64 billion in 2014, compared with \$1.66 billion in 2013. The 2014 operating cash flows were favorably impacted by approximately \$132 million in DOE Damages proceeds resulting from the spent nuclear fuel litigation received by CL&P, NSTAR Electric, PSNH and WMECO from the Yankee Companies, the absence of 2013 cash disbursements for major storm restoration costs, the decrease of approximately \$130 million in Pension and PBOP Plan cash contributions and changes in the timing of working capital items. These favorable impacts were more than offset by higher income tax payments in 2014 and the unfavorable cash flow impact resulting from lower recoveries from customers in 2014, as compared to 2013, relating to regulatory cost recovery tracking mechanisms. For further information on the spent nuclear fuel litigation, see Note 11C, "Commitments and Contingencies – Contractual Obligations – Yankee Companies," in this combined Annual Report on Form 10-K.

RESULTS OF OPERATIONS – THE CONNECTICUT LIGHT AND POWER COMPANY

The following provides the amounts and variances in operating revenues and expense line items in the statements of income for CL&P for the years ended December 31, 2015, 2014, and 2013 included in this Annual Report on Form 10-K:

Comparison of 2015 to 2014:

| | For the Years Ended December 31, | | | |
|----------------------------------------|----------------------------------|------------|-------------------------|---------|
| | 2015 | 2014 | Increase/ (Decrease) | Percent |
| (Millions of Dollars) | | | | |
| Operating Revenues | \$ 2,802.7 | \$ 2,692.6 | \$ 110.1 | 4.1 % |
| Operating Expenses: | | | | |
| Purchased Power and Transmission | 1,054.3 | 982.9 | 71.4 | 7.3 |
| Operations and Maintenance | 487.3 | 494.6 | (7.3) | (1.5) |
| Depreciation | 215.3 | 188.8 | 26.5 | 14.0 |
| Amortization of Regulatory Assets, Net | 12.3 | 59.3 | (47.0) | (79.3) |
| Energy Efficiency Programs | 153.7 | 156.3 | (2.6) | (1.7) |
| Taxes Other Than Income Taxes | 268.7 | 255.4 | 13.3 | 5.2 |
| Total Operating Expenses | 2,191.6 | 2,137.3 | 54.3 | 2.5 |
| Operating Income | 611.1 | 555.3 | 55.8 | 10.0 |
| Interest Expense | 145.8 | 147.4 | (1.6) | (1.1) |
| Other Income, Net | 11.5 | 13.4 | (1.9) | (14.2) |
| Income Before Income Tax Expense | 476.8 | 421.3 | 55.5 | 13.2 |
| Income Tax Expense | 177.4 | 133.5 | 43.9 | 32.9 |
| Net Income | \$ 299.4 | \$ 287.8 | \$ 11.6 | 4.0 % |

Operating Revenues

CL&P's retail sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|-----------------------------|----------------------------------|--------|----------|---------|
| | 2015 | 2014 | Increase | Percent |
| Retail Sales Volumes in GWh | 22,071 | 22,046 | 25 | 0.1 % |

Operating Revenues

CL&P's Operating Revenues, which consist of base distribution revenues and tracked revenues further described below, increased by \$110.1 million in the aggregate in 2015 compared to 2014.

Base distribution revenues: Base distribution revenues increased \$136.3 million due to a base distribution rate increase effective December 1, 2014. In addition, CL&P recognized \$19.9 million in Operating Revenues due to the PURA-approved settlement agreement regarding ADIT. The \$19.9 million represents the revenue requirement from the settlement agreement's rate increase through December 31, 2015, and is being collected from customers in rates over a 24-month period beginning December 1, 2015.

Effective December 1, 2014, CL&P's distribution revenues were decoupled from its sales volumes. As a result, CL&P no longer earns LBR related to its energy efficiency programs. The revenue decoupling mechanism permits recovery of a base amount of distribution revenues (\$1.059 billion annually effective December 1, 2014) and breaks the relationship between sales volumes and revenues recognized. Revenue decoupling mechanisms result in the recovery of our approved base distribution revenue requirements. Therefore, changes in sales volumes had no impact on the level of base distribution revenue realized in 2015 and prospectively.

Tracked revenues: Tracked revenues consist of certain costs that are recovered from customers in rates through PURA-approved cost tracking mechanisms and therefore have no impact on earnings. Costs recovered through cost tracking mechanisms include energy supply procurement and other energy-related costs, retail transmission charges, energy efficiency program costs and restructuring and stranded cost recovery revenues. Tracked distribution revenues decreased primarily as a result of a decrease in the federally mandated congestion charge primarily driven by refunds in 2015 for a prior year overrecovery (\$103.9 million) and a decrease in competitive transition assessment charges (\$17 million), partially offset by an increase in energy supply costs (\$51.1 million) driven by increased average retail rates, and an increase in retail transmission charges (\$22.7 million).

Transmission revenues increased \$5.8 million due primarily to the result of lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 as compared to 2014, and higher revenue requirements associated with ongoing investments in our transmission infrastructure.

Purchased Power and Transmission expense includes costs associated with purchasing electricity on behalf of CL&P's customers. These energy supply costs are recovered from customers in PURA-approved cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power and Transmission increased in 2015, as compared to 2014, due primarily to the following:

| (Millions of Dollars) | Increase/(Decrease) |
|----------------------------------------|---------------------|
| Purchased Power Costs | \$ 54.6 |
| Transmission Costs | 17.8 |
| Other | (1.0) |
| Total Purchased Power and Transmission | \$ 71.4 |

Included in purchased power are the costs associated with CL&P's generation services charge (GSC) and deferred energy supply costs. The GSC recovers energy-related costs incurred as a result of providing electric generation service supply to all customers that have not migrated to third party

suppliers. The increase in purchased power was due primarily to higher prices associated with the procurement of energy supply related to standard offer from third party suppliers. The increase in transmission costs was primarily the result of higher Local Network Service (LNS) expenses, which are included in the retail transmission cost deferral.

Operations and Maintenance expense includes tracked costs and costs that are part of base distribution rates with changes impacting earnings (non-tracked costs). Operations and Maintenance decreased in 2015, as compared to 2014, driven by an \$11.1 million decrease in non-tracked costs, which was primarily attributable to lower employee-related expenses, partially offset by higher bad debt expense. Tracked costs, which have no earnings impact, increased \$3.8 million, which was primarily attributable to higher tracked bad debt expense, partially offset by lower employee-related expenses.

Depreciation increased in 2015, as compared to 2014, due primarily to an increase in depreciation rates as a result of the distribution rate case decision that was effective December 1, 2014 and higher utility plant in service balances.

Amortization of Regulatory Assets, Net decreased in 2015, as compared to 2014, due primarily to a decrease in the deferral of energy supply and energy-related costs that can fluctuate from period to period based on the timing of costs incurred and related rate changes to recover these costs (\$108 million decrease in 2015 compared to 2014), partially offset by an increase in storm cost recovery and other cost recovery approved and included in distribution rates effective December 1, 2014 (\$61 million increase in 2015 compared to 2014). Fluctuations in energy supply and energy-related costs, which are the primary drivers in amortization, are recovered from customers in rates and have no impact on earnings.

Energy Efficiency Programs, which are tracked costs, decreased in 2015, as compared to 2014, due primarily to a decrease in the deferral, which reflects the actual costs of energy efficiency programs compared to estimated amounts billed to customers. CL&P is allowed to recover its costs for various state energy policy initiatives and expanded energy efficiency programs.

Taxes Other Than Income Taxes increased in 2015, as compared to 2014, due primarily to an increase in property taxes as a result of both an increase in utility plant balances and property tax rates.

Other Income, Net decreased in 2015, as compared to 2014, due primarily to the absence in 2015 of a gain on the sale of land recorded in 2014 (\$4.5 million), partially offset by higher equity AFUDC amounts (\$2.3 million).

Income Tax Expense increased in 2015, as compared to 2014, due primarily to higher pre-tax earnings (\$19.4 million), higher state income taxes, the impact of adjusting estimated tax expense to what was filed on our tax return (provision to return), the lower tax benefit in 2015 compared to 2014 from a change in tax reserves (\$17.3 million), and higher items that impact our tax rate as a result of regulatory treatment (flow-through items) (\$7.2 million).

EARNINGS SUMMARY

CL&P's earnings increased \$11.6 million in 2015, as compared to 2014, driven by higher distribution revenues due primarily to the impact of the December 1, 2014 base distribution rate increase and the PURA-approved settlement agreement. In addition, earnings increased due to lower operations and maintenance costs, which were primarily attributable to lower employee-related expenses, and lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 compared to 2014. These favorable earnings impacts were partially offset by higher income tax expense as a result of lower tax benefits available for utilization in 2015, higher property taxes and the absence of a gain on the sale of land recorded in 2014.

LIQUIDITY

In 2015, CL&P had cash flows provided by operating activities of \$298.3 million, compared with \$612.4 million in 2014. The decrease in operating cash flows was due primarily to the approximate \$245 million in payments made to fully satisfy the pre-1983 spent nuclear fuel obligation with the DOE. Also contributing to the decrease in operating cash flows were DOE Damages proceeds received from the Yankee Companies of \$2.3 million in 2015, compared to \$68.6 million in 2014.

In late 2015, CL&P made a payment of \$244.6 million to fully satisfy its obligation with the DOE, which was classified as long-term debt on the balance sheet as of December 31, 2014, for costs associated with the disposal of spent nuclear fuel and high-level radioactive waste for all periods prior to 1983 from its previous ownership interest in the Millstone nuclear power station. CL&P divested its ownership interest in Millstone in 2001. This payment included accumulated interest of \$178 million. CL&P funded its payment with the issuance of debt.

On December 18, 2015, the "Protecting Americans from Tax Hikes" Act became law, which extended the accelerated deduction of depreciation to businesses from 2015 through 2019. This extended stimulus provides CL&P with cash flow benefits in 2016 of approximately \$105 million due to a refund of taxes paid in 2015 and lower expected tax payments in 2016.

Investments in Property, Plant and Equipment on the statements of cash flows do not include amounts incurred on capital projects but not yet paid, cost of removal, AFUDC related to equity funds, and the capitalized portions of pension expense. CL&P's investments totaled \$523.8 million in 2015, compared with \$515.7 million in 2014.

On October 26, 2015, ES parent and certain of its subsidiaries, including CL&P, amended and restated their joint \$1.45 billion revolving credit facility and the termination date was extended to September 4, 2020. The revolving credit facility serves to backstop ES parent's \$1.45 billion commercial paper program. The commercial paper program allows ES parent to issue commercial paper as a form of short-term debt with

intercompany loans to certain subsidiaries, including CL&P. As of December 31, 2015 and 2014, there were intercompany loans from ES parent of \$277.4 million and \$133.4 million, respectively, to CL&P.

On May 20, 2015 and December 1, 2015, CL&P issued \$300 million and \$50 million, respectively, of 4.15 percent 2015 Series A First and Refunding Mortgage Bonds due to mature in 2045. The proceeds, net of issuance costs, were used to repay short-term borrowings.

On April 1, 2015, CL&P repaid at maturity the \$100 million 5.00 percent 2005 Series A First and Refunding Mortgage Bonds using short-term borrowings and also redeemed the \$62 million 1996A Series 1.55 percent PCRBs that were subject to mandatory tender, using short term borrowings.

Financing activities in 2015 included \$196 million in common stock dividends paid to ES parent.

Comparison of 2014 to 2013:

| (Millions of Dollars) | For the Years Ended December 31, | | | |
|----------------------------------------|----------------------------------|------------|-------------------------|---------|
| | 2014 | 2013 | Increase/ (Decrease) | Percent |
| Operating Revenues | \$ 2,692.6 | \$ 2,442.3 | \$ 250.3 | 10.2 % |
| Operating Expenses: | | | | |
| Purchased Power and Transmission | 982.9 | 872.8 | 110.1 | 12.6 |
| Operations and Maintenance | 494.6 | 523.2 | (28.6) | (5.5) |
| Depreciation | 188.8 | 177.6 | 11.2 | 6.3 |
| Amortization of Regulatory Assets, Net | 59.3 | 4.9 | 54.4 | (a) |
| Energy Efficiency Programs | 156.3 | 89.8 | 66.5 | 74.1 |
| Taxes Other Than Income Taxes | 255.4 | 234.4 | 21.0 | 9.0 |
| Total Operating Expenses | 2,137.3 | 1,902.7 | 234.6 | 12.3 |
| Operating Income | 555.3 | 539.6 | 15.7 | 2.9 |
| Interest Expense | 147.4 | 133.6 | 13.8 | 10.3 |
| Other Income, Net | 13.4 | 15.1 | (1.7) | (11.3) |
| Income Before Income Tax Expense | 421.3 | 421.1 | 0.2 | - |
| Income Tax Expense | 133.5 | 141.7 | (8.2) | (5.8) |
| Net Income | \$ 287.8 | \$ 279.4 | \$ 8.4 | 3.0 % |

(a) Percent greater than 100 percent not shown as it is not meaningful.

Operating Revenues

CL&P's retail sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|-----------------------------|----------------------------------|--------|----------|---------|
| | 2014 | 2013 | Decrease | Percent |
| Retail Sales Volumes in GWh | 22,046 | 22,404 | (358) | (1.6)% |

CL&P's Operating Revenues increased \$250.3 million in 2014 compared to 2013. The increase primarily reflects recovery of higher costs associated with the procurement of energy supply, which increased \$275.4 million, and increased cost recovery related to our energy efficiency programs. The energy supply costs were impacted by the overall wholesale electricity market in New England in which higher natural gas delivery costs had an adverse impact on the cost of electric energy purchased for our retail customers. Energy supply costs are recovered from customers in rates through cost tracking mechanisms and therefore have no impact on earnings.

Partially offsetting this increase was the impact of the \$20.7 million net reserve recorded in 2014 as a result of the 2014 FERC ROE orders, as compared to the \$12.8 million reserve recorded in 2013 for the FERC ALJ initial decision in the FERC base ROE complaints.

Base distribution revenues increased \$9.1 million in 2014 compared to 2013, which was primarily attributable to the impact of the December 1, 2014 base distribution rate increase and the impact of LBR, partially offset by the impact of cooler summer weather as well as energy efficiency programs.

Enhancements to CL&P's energy efficiency programs were mandated by the Connecticut legislature in 2013. Through November 30, 2014, CL&P was permitted to bill customers for LBR related to reductions in sales volume as a result of energy efficiency, and effective December 1, 2014, fluctuations in retail electric sales volumes do not impact earnings due to the PURA-approved revenue decoupling mechanism as a result of CL&P's base distribution rate case. The revenue decoupling mechanism provides a base amount of distribution revenues (\$1.059 billion on an annual basis) that effectively breaks the relationship between revenues and customer electricity usage. The revenue decoupling mechanism is designed to allow CL&P to encourage energy efficiency for its customers without negatively impacting its revenues.

Purchased Power and Transmission expense includes costs associated with purchasing electricity on behalf of CL&P's customers. These energy supply costs are recovered from customers in PURA-approved cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power and Transmission increased in 2014, as compared to 2013, due primarily to the following:

| (Millions of Dollars) | Increase/(Decrease) |
|----------------------------------------|---------------------|
| Purchased Power Costs | \$ 169.7 |
| Transmission Costs | (50.8) |
| Other | (8.8) |
| Total Purchased Power and Transmission | \$ 110.1 |

Included in purchased power are the costs associated with CL&P's generation services charge (GSC) and deferred energy supply costs. The GSC recovers energy-related costs incurred as a result of providing electric generation service supply to all customers that have not migrated to third party suppliers. The increase in purchased power was due primarily to higher average supply prices and increased standard offer load as a result of customers returning from third party suppliers. The decrease in transmission costs was the result of a decrease in the retail transmission cost deferral, which reflects the actual costs of transmission service compared to estimated amounts billed to customers.

Operations and Maintenance expense includes tracked costs and costs that are part of base distribution rates with changes impacting earnings (non-tracked costs). Operations and Maintenance decreased in 2014, as compared to 2013, driven by a \$38.4 million reduction in non-tracked costs, which was primarily attributable to lower labor and other employee-related costs, including pension costs, and lower storm restoration costs, partially offset by an increase in costs for the implementation of a new outage restoration program that began in the second quarter of 2014. Partially offsetting this decrease was a \$9.8 million increase in tracked costs, which have no earnings impact, that was primarily attributable to higher tracked bad debt expense and increased transmission maintenance expenses.

Depreciation increased in 2014, as compared to 2013, due primarily to higher utility plant balances resulting from completed construction projects placed into service.

Amortization of Regulatory Assets, Net increased in 2014, as compared to 2013. Fluctuations in energy supply and energy-related costs, which are the primary drivers in amortization, are recovered from customers in rates through cost tracking mechanisms and have no impact on earnings.

Energy Efficiency Programs, which are tracked costs, increased in 2014, as compared to 2013, due primarily to expanded energy conservation programs in 2014 as a result of 2013 legislative action. In 2013, Connecticut enacted into law Public Act 13-298, which implemented a number of recommendations, including allowing electric distribution companies to recover their costs from various state energy policy initiatives and expanded energy efficiency programs.

Taxes Other Than Income Taxes increased in 2014, as compared to 2013, due primarily to an increase in property taxes as a result of both an increase in utility plant balances and property tax rates.

Interest Expense increased in 2014, as compared to 2013, due primarily to an increase in interest on long-term debt (\$5 million) as a result of a new debt issuance in April 2014 and an increase in regulatory interest due to the refund of the DOE proceeds in 2014 and the absence in 2014 of the favorable impact from the resolution of a state income tax audit in 2013.

Other Income, Net decreased in 2014, as compared to 2013, due primarily to lower unrealized gains on the assets supporting the deferred compensation plans (\$6.7 million), partially offset by a gain on the sale of land (\$4.5 million).

Income Tax Expense decreased in 2014, as compared to 2013, due primarily to lower state taxes, which includes the reduction in the valuation allowance for state tax positions, and various other impacts.

EARNINGS SUMMARY

CL&P's earnings increased in 2014, as compared to 2013, due primarily to a decrease in operations and maintenance costs primarily attributable to lower employee-related costs, as well as lower income tax expense due to the net reduction in the valuation allowance for state tax positions. Partially offsetting these favorable earnings impacts were lower retail electric sales volumes, higher depreciation expense, higher property tax expense, higher interest expense and the after-tax reserve recorded for the 2014 FERC ROE orders as compared to the reserve recorded in 2013 for the FERC ALJ initial decision in the FERC base ROE complaints.

LIQUIDITY

In 2014, CL&P had cash flows provided by operating activities of \$612.4 million, compared with \$495.3 million in 2013. The improved operating cash flows were due primarily to \$68.6 million in DOE damages proceeds received in 2014 from the Yankee Companies associated with the spent nuclear fuel litigation, the absence of cash disbursements for major storm restoration costs, and the favorable cash flow impact resulting from an increase in recoveries from customers in 2014, as compared to 2013, relating to regulatory cost recovery tracking mechanisms, partially offset by higher income tax payments in 2014, as compared to 2013, and changes in working capital items.

RESULTS OF OPERATIONS – NSTAR ELECTRIC COMPANY AND SUBSIDIARY

The following provides the amounts and variances in operating revenues and expense line items in the statements of income for NSTAR Electric for the years ended December 31, 2015 and 2014 included in this Annual Report on Form 10-K:

| (Millions of Dollars) | For the Years Ended December 31, | | | |
|---------------------------------------------|----------------------------------|------------|-------------------------|---------|
| | 2015 | 2014 | Increase/ (Decrease) | Percent |
| Operating Revenues | \$ 2,681.3 | \$ 2,536.7 | \$ 144.6 | 5.7 % |
| Operating Expenses: | | | | |
| Purchased Power and Transmission | 1,190.2 | 1,122.3 | 67.9 | 6.1 |
| Operations and Maintenance | 306.5 | 327.0 | (20.5) | (6.3) |
| Depreciation | 196.8 | 188.7 | 8.1 | 4.3 |
| Amortization of Regulatory Liabilities, Net | (13.0) | (6.3) | (6.7) | (a) |
| Energy Efficiency Programs | 224.8 | 193.5 | 31.3 | 16.2 |
| Taxes Other Than Income Taxes | 133.2 | 133.0 | 0.2 | 0.2 |
| Total Operating Expenses | 2,038.5 | 1,958.2 | 80.3 | 4.1 |
| Operating Income | 642.8 | 578.5 | 64.3 | 11.1 |
| Interest Expense | 75.4 | 77.9 | (2.5) | (3.2) |
| Other Income, Net | 5.1 | 4.5 | 0.6 | 13.3 |
| Income Before Income Tax Expense | 572.5 | 505.1 | 67.4 | 13.3 |
| Income Tax Expense | 228.0 | 202.0 | 26.0 | 12.9 |
| Net Income | \$ 344.5 | \$ 303.1 | \$ 41.4 | 13.7 % |

(a) Percent greater than 100 percent not shown as it is not meaningful.

Operating Revenues

NSTAR Electric's retail sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|-----------------------------|----------------------------------|--------|----------|---------|
| | 2015 | 2014 | Increase | Percent |
| Retail Sales Volumes in GWh | 21,055 | 20,925 | 130 | 0.6 % |

NSTAR Electric's Operating Revenues, which consist of base distribution revenues and tracked revenues further described below, increased by \$144.6 million in the aggregate in 2015 compared to 2014.

Base distribution revenues: Base distribution revenues, excluding LBR, increased \$6.5 million as a result of weather impacts. The impact of colder winter weather experienced in the first quarter of 2015 and warmer weather in the third quarter of 2015, partially offset by milder winter weather in the fourth quarter of 2015, all as compared to the same periods in 2014, were the primary drivers of the increase in 2015 retail electric sales volumes of 0.6 percent. In addition, NSTAR Electric is allowed to recover LBR related to reductions in sales volumes as a result of successful energy efficiency programs. NSTAR Electric recognized \$20.7 million more LBR in 2015 compared to 2014.

In connection with the Comprehensive Settlement Agreement, NSTAR Electric recognized an \$11 million benefit in the first quarter of 2015 associated with the recovery of LBR related to 2009 through 2011 energy efficiency programs, which was recorded as an increase to Operating Revenues. For further information, see "Regulatory Developments and Rate Matters – Massachusetts – NSTAR Electric and NSTAR Gas Comprehensive Settlement Agreement" in this *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

Tracked revenues: Tracked revenues consist of certain costs that are recovered from customers in rates through DPU-approved cost tracking mechanisms and therefore have no impact on earnings. Costs recovered through cost tracking mechanisms include energy supply costs, retail transmission charges, energy efficiency program costs, net metering for distributed generation and transition cost recovery revenues. Tracked distribution revenues increased primarily as a result of an increase in energy supply costs (\$116.2 million), driven by increased average retail rates, and increased cost recovery related to energy efficiency programs (\$31.1 million). These increases were partially offset by decreased retail transmission charges (\$80.6 million).

Transmission revenues increased by \$23.9 million due primarily to higher revenue requirements associated with ongoing investments in our transmission infrastructure and the result of lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 as compared to 2014.

Purchased Power and Transmission expense includes costs associated with purchasing electricity on behalf of NSTAR Electric's customers. These energy supply costs are recovered from customers in DPU-approved cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power and Transmission increased in 2015, as compared to 2014, due primarily to the following:

| (Millions of Dollars) | Increase/(Decrease) |
|----------------------------------------|---------------------|
| Purchased Power Costs | \$ 133.2 |
| Transmission Costs | (65.4) |
| Other | 0.1 |
| Total Purchased Power and Transmission | \$ 67.9 |

Included in purchased power are the costs associated with NSTAR Electric's basic service charge and deferred energy supply costs. The basic service charge recovers energy-related costs incurred as a result of providing electric generation service supply to all customers that have not migrated to third party suppliers. The increase in purchased power costs was due primarily to higher prices associated with the procurement of energy supply. The decrease in transmission costs was primarily the result of a decrease in the retail transmission cost deferral, which reflects the actual costs of transmission service compared to estimated amounts billed to customers.

Operations and Maintenance expense includes tracked costs and costs that are part of base distribution rates with changes impacting earnings (non-tracked costs). Operations and Maintenance decreased in 2015, as compared to 2014, driven by a \$6.8 million reduction in non-tracked costs, which was primarily attributable to the resolution of the basic service bad debt adder mechanism (\$24.2 million) and lower bad debt expense, partially offset by increased employee-related expenses. Tracked costs, which have no earnings impact, decreased \$13.7 million, which was primarily attributable to lower employee-related expenses. As a result of the October 30, 2015 DPU order in the NSTAR Gas distribution rate case, which allows for the recovery of certain uncollectible hardship accounts receivable, NSTAR Electric recorded regulatory deferrals for costs expected to be recovered in future rates given the allowed recoveries of uncollectible hardship accounts receivable by WMECO and NSTAR Gas, which resulted in the recognition of a \$10.5 million pre-tax benefit in 2015.

Depreciation increased in 2015, as compared to 2014, due primarily to higher utility plant in service balances.

Amortization of Regulatory Liabilities, Net, reflects an \$11.7 million benefit recognized in connection with the Comprehensive Settlement Agreement associated with the CPSL program filings in the first quarter of 2015, which was recorded as a reduction to amortization expense. For further information, see "Regulatory Developments and Rate Matters – Massachusetts – NSTAR Electric and NSTAR Gas Comprehensive Settlement Agreement" in this *Management's Discussion and Analysis of Financial Condition and Results of Operations*. Partially offsetting this benefit was an increase in the recovery of previously deferred tracked transition costs, which increased amortization expense, in 2015 compared to 2014. Fluctuations in these costs are recovered from customers in rates and have no impact on earnings.

Energy Efficiency Programs, which are tracked costs, increased in 2015, as compared to 2014, due primarily to an increase in energy efficiency costs incurred in accordance with the three-year program guidelines established by the DPU.

Income Tax Expense increased in 2015, as compared to 2014, due primarily to higher pre-tax earnings (\$23.6 million), and higher state taxes and the impact of adjusting estimated tax expense to what was filed on our tax return (provision to return) (\$2.4 million).

EARNINGS SUMMARY

NSTAR Electric's earnings increased \$41.4 million in 2015, as compared to 2014, due primarily to the resolution of the basic service bad debt adder mechanism (\$14.5 million), the favorable impact associated with the Comprehensive Settlement Agreement, which resolved eleven open dockets including the CPSL program filings and the recovery of LBR related to 2009 through 2011 energy efficiency programs (\$13 million), the recovery of higher LBR related to 2015 energy efficiency programs, an increase in transmission earnings due primarily to a higher transmission rate base and lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 compared to 2014, and higher retail sales volumes. These favorable earnings impacts were partially offset by an increase in employee-related expenses and higher depreciation expense.

LIQUIDITY

NSTAR Electric had cash flows provided by operating activities of \$657 million in 2015, compared with \$533 million in 2014. The improved operating cash flows were due primarily to a \$110 million decrease in Pension and PBOP Plan cash contributions in 2015 compared to 2014, the \$236.9 million favorable impact of receiving net income tax refunds in 2015 compared with making net income tax payments in 2014 due to the extension of the accelerated depreciation deduction. These favorable cash flow impacts were partially offset by the impact of the timing of regulatory recoveries resulting from the increase in purchased power costs and the timing of collections and payments related to our working capital items, including affiliated company receivables, accounts receivable and accounts payable. Accounts receivable increased due primarily to an increase in basic service rates effective January 1, 2015. Also offsetting the favorable impacts were DOE Damages proceeds received from the Yankee Companies of \$0.8 million in 2015, compared to \$30.2 million in 2014.

NSTAR Electric has a five-year \$450 million revolving credit facility. On October 26, 2015, this revolving credit facility was amended and restated and the termination date was extended to September 4, 2020. This facility serves to backstop NSTAR Electric's existing \$450 million commercial paper program. As of December 31, 2015 and 2014, NSTAR Electric had \$62.5 million and \$302 million, respectively, in short-term borrowings outstanding under its commercial paper program, leaving \$387.5 million and \$148 million of available borrowing capacity as of December 31, 2015 and 2014, respectively. The weighted-average interest rate on these borrowings as of December 31, 2015 and 2014 was 0.40 percent and 0.27 percent, respectively.

RESULTS OF OPERATIONS – PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY

The following provides the amounts and variances in operating revenues and expense line items in the statements of income for PSNH for the years ended December 31, 2015 and 2014 included in this Annual Report on Form 10-K:

| | For the Years Ended December 31, | | | |
|------------------------------------------------------|----------------------------------|----------|-------------------------|---------|
| | 2015 | 2014 | Increase/ (Decrease) | Percent |
| (Millions of Dollars) | | | | |
| Operating Revenues | \$ 972.2 | \$ 959.5 | \$ 12.7 | 1.3 % |
| Operating Expenses: | | | | |
| Purchased Power, Fuel and Transmission | 247.7 | 313.7 | (66.0) | (21.0) |
| Operations and Maintenance | 276.5 | 261.9 | 14.6 | 5.6 |
| Depreciation | 105.4 | 98.4 | 7.0 | 7.1 |
| Amortization of Regulatory Assets/(Liabilities), Net | 16.3 | (29.6) | 45.9 | (a) |
| Energy Efficiency Programs | 14.3 | 14.3 | - | - |
| Taxes Other Than Income Taxes | 81.8 | 71.4 | 10.4 | 14.6 |
| Total Operating Expenses | 742.0 | 730.1 | 11.9 | 1.6 |
| Operating Income | 230.2 | 229.4 | 0.8 | 0.3 |
| Interest Expense | 46.0 | 45.4 | 0.6 | 1.3 |
| Other Income, Net | 3.3 | 2.0 | 1.3 | 65.0 |
| Income Before Income Tax Expense | 187.5 | 186.0 | 1.5 | 0.8 |
| Income Tax Expense | 73.1 | 72.1 | 1.0 | 1.4 |
| Net Income | \$ 114.4 | \$ 113.9 | \$ 0.5 | 0.4 % |

(a) Percent greater than 100 percent not shown as it is not meaningful.

Operating Revenues

PSNH's retail sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|-----------------------------|----------------------------------|-------|----------|---------|
| | 2015 | 2014 | Increase | Percent |
| Retail Sales Volumes in GWh | 7,927 | 7,886 | 41 | 0.5 % |

PSNH's Operating Revenues, which consist of base distribution revenues and tracked revenues further described below, increased by \$12.7 million in the aggregate in 2015 compared to 2014.

Base distribution revenues: Base distribution revenues increased \$8.1 million as a result of a distribution rate increase effective July 1, 2015 and higher retail sales volumes driven by weather impacts. Sales volumes increased 0.5 percent in 2015, as compared to 2014, primarily related to the impact of colder winter weather experienced in the first quarter of 2015 and warmer weather in the third quarter of 2015, partially offset by milder winter weather in the fourth quarter of 2015, all as compared to the same periods in 2014.

Tracked revenues: Tracked revenues consist of certain costs that are recovered from customers in rates through NHPUC-approved cost tracking mechanisms and therefore have no impact on earnings. Costs recovered through cost tracking mechanisms include energy supply costs and costs associated with the generation of electricity for customers, retail transmission charges, energy efficiency program costs and stranded cost recovery revenues. Tracked distribution revenues decreased primarily as a result of a reduction in wholesale generation revenues, partially offset by an increase in energy supply costs in 2015, as compared to 2014 (\$11.2 million).

Transmission revenues increased by \$12.5 million due primarily to higher revenue requirements associated with ongoing investments in our transmission infrastructure and lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 compared to 2014.

Purchased Power, Fuel and Transmission expense includes costs associated with PSNH's generation of electricity as well as purchasing electricity on behalf of its customers. These energy supply costs are recovered from customers in NHPUC-approved cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power, Fuel and Transmission decreased in 2015, as compared to 2014, due primarily to the following:

| (Millions of Dollars) | Decrease |
|----------------------------------------------|-----------|
| Generation Fuel Costs | \$ (25.0) |
| Purchased Power Costs | (23.6) |
| Transmission Costs | (14.1) |
| Other | (3.3) |
| Total Purchased Power, Fuel and Transmission | \$ (66.0) |

PSNH procures power through its own generation, long-term power supply contracts, and short-term purchases and spot purchases in the competitive New England wholesale power market. The decrease in generation fuel costs was due primarily to a decrease in the amount of electricity generated by PSNH facilities during 2015, as compared to 2014. The decrease in purchased power costs was due to lower power prices of short-term and spot purchases made in the wholesale power market during 2015, as compared to 2014. The decrease in transmission costs was primarily the result of a decrease in the retail transmission cost deferral, which reflects the actual costs of transmission service compared to estimated amounts billed to customers.

Operations and Maintenance expense includes tracked costs and costs that are part of base distribution rates with changes impacting earnings (non-tracked costs). Operations and Maintenance increased in 2015, as compared to 2014, driven by a \$7.5 million increase in tracked costs, which have no earnings impact, that was primarily attributable to increased maintenance activities at PSNH's generating facilities, partially offset by lower employee-related expenses, and a \$7.1 million increase in non-tracked costs, which was primarily attributable to a \$5 million contribution to create a clean energy fund that was recorded in 2015 in connection with the generation divestiture agreement, which is not recoverable from customers.

Depreciation increased in 2015, as compared to 2014, due primarily to higher utility plant in service balances.

Amortization of Regulatory Assets/(Liabilities), Net reflects an increase in the deferral to expense of energy supply costs and other amortizations for 2015, as compared to 2014. Fluctuations in these costs are recovered from customers in rates and have no impact on earnings.

Taxes Other Than Income Taxes increased in 2015, as compared to 2014, due primarily to an increase in property taxes as a result of an increase in utility plant balances.

EARNINGS SUMMARY

PSNH's earnings increased \$0.5 million in 2015 compared to 2014, driven by higher distribution revenues due primarily to the impact of the distribution rate increase effective July 1, 2015 and higher retail sales volumes, and an increase in transmission earnings due primarily to a higher transmission rate base and lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 compared to 2014. These favorable earnings impacts were offset by a \$5 million contribution to create a clean energy fund recorded in 2015 in connection with the generation divestiture agreement, which is not recoverable from customers, higher property tax expense, higher depreciation expense and an increase in operations and maintenance costs.

LIQUIDITY

PSNH had cash flows provided by operating activities of \$274.5 million in 2015, as compared to \$248 million in 2014. The increase in operating cash flows was due primarily to the timing of payments related to fuel, materials and supplies as well as an increase in recoveries from customers in 2015, compared to 2014, and the timing of collections and payments related to our working capital items, including accounts receivable and accounts payable. Partially offsetting these favorable impacts were DOE Damages proceeds received from the Yankee Companies of \$1 million in 2015, compared to \$14.5 million in 2014.

RESULTS OF OPERATIONS – WESTERN MASSACHUSETTS ELECTRIC COMPANY

The following provides the amounts and variances in operating revenues and expense line items in the statements of income for WMECO for the years ended December 31, 2015 and 2014 included in this Annual Report on Form 10-K:

| | For the Years Ended December 31, | | | |
|------------------------------------------------------|----------------------------------|----------|-------------------------|---------|
| | 2015 | 2014 | Increase/ (Decrease) | Percent |
| (Millions of Dollars) | | | | |
| Operating Revenues | \$ 518.1 | \$ 493.4 | \$ 24.7 | 5.0 % |
| Operating Expenses: | | | | |
| Purchased Power and Transmission | 177.2 | 172.9 | 4.3 | 2.5 |
| Operations and Maintenance | 86.3 | 89.4 | (3.1) | (3.5) |
| Depreciation | 43.4 | 41.9 | 1.5 | 3.6 |
| Amortization of Regulatory Assets/(Liabilities), Net | 14.5 | (6.2) | 20.7 | (a) |
| Energy Efficiency Programs | 42.9 | 42.9 | - | - |
| Taxes Other Than Income Taxes | 38.3 | 34.9 | 3.4 | 9.7 |
| Total Operating Expenses | 402.6 | 375.8 | 26.8 | 7.1 |
| Operating Income | 115.5 | 117.6 | (2.1) | (1.8) |
| Interest Expense | 24.7 | 24.9 | (0.2) | (0.8) |
| Other Income, Net | 2.7 | 2.4 | 0.3 | 12.5 |
| Income Before Income Tax Expense | 93.5 | 95.1 | (1.6) | (1.7) |
| Income Tax Expense | 37.0 | 37.3 | (0.3) | (0.8) |
| Net Income | \$ 56.5 | \$ 57.8 | \$ (1.3) | (2.2)% |

(a) Percent greater than 100 percent not shown as it is not meaningful

Operating Revenues

WMECO's retail sales volumes were as follows:

| | For the Years Ended December 31, | | | |
|-----------------------------|----------------------------------|-------|----------|---------|
| | 2015 | 2014 | Decrease | Percent |
| Retail Sales Volumes in GWh | 3,563 | 3,586 | (23) | (0.6)% |

Operating Revenues

WMECO's Operating Revenues increased by \$24.7 million in 2015 compared to 2014.

Fluctuations in WMECO's sales volumes have no impact on total operating revenues or earnings, as WMECO's revenues are decoupled from sales volumes. Fluctuations in the overall level of operating revenues are primarily related to tracked revenues. Tracked revenues consist of certain costs that are recovered from customers in rates through DPU-approved cost tracking mechanisms and therefore have no impact on earnings. Costs recovered through cost tracking mechanisms include energy supply costs, transmission related costs, energy efficiency programs, low income assistance programs, and restructuring and stranded costs as a result of deregulation. Tracked revenues increased due primarily to an increase in energy supply costs (\$20.3 million) driven by increased average retail rates. The increase in Operating Revenues was partially offset by a \$3.9 million decrease in revenues that impacts earnings due to the absence of a 2014 wholesale billing adjustment.

Transmission revenues increased by \$8.7 million due primarily to higher revenue requirements associated with ongoing investments in our transmission infrastructure and the impact of a lower FERC ROE complaint proceedings reserve recorded in 2015 as compared to 2014.

Purchased Power and Transmission expense includes costs associated with purchasing electricity on behalf of WMECO's customers. These energy supply costs are recovered from customers in DPU-approved cost tracking mechanisms, which have no impact on earnings (tracked costs). Purchased Power and Transmission increased in 2015, as compared to 2014, due primarily to the following:

| (Millions of Dollars) | Increase/(Decrease) |
|----------------------------------------|---------------------|
| Purchased Power Costs | \$ 18.1 |
| Transmission Costs | (13.8) |
| Total Purchased Power and Transmission | \$ 4.3 |

Included in purchased power are the costs associated with WMECO's basic service charge and deferred energy supply costs. The basic service charge recovers energy-related costs incurred as a result of providing electric generation service supply to all customers that have not migrated to competitive energy suppliers. The increase in purchased power costs was due primarily to higher prices associated with the procurement of energy supply. The decrease in transmission costs was as a result of a decrease in the retail transmission cost deferral, which reflects the actual costs of transmission service compared to estimated amounts billed to customers.

Operations and Maintenance expense includes tracked costs and costs that are part of base distribution rates with changes impacting earnings (non-tracked costs). Operations and Maintenance decreased in 2015, as compared to 2014, driven by \$3.9 million reduction in tracked costs, which have no earnings impact, that was primarily attributable to lower employee-related expenses, partially offset by higher tracked bad debt expense. Non-tracked costs increased \$0.8 million, which was primarily attributable to higher bad debt expense, partially offset by a decrease in workers' compensation claims.

Depreciation increased in 2015, as compared to 2014, due primarily to higher utility plant in service balances.

Amortization of Regulatory Assets/(Liabilities), Net reflects the absence of the refund of the DOE proceeds to customers in 2014 as well as energy and energy related costs and amortizations that can fluctuate period to period based on timing of costs incurred and related rate changes to recover these costs. Fluctuations in energy and energy related costs are recovered from customers in rates and have no impact on earnings.

Taxes Other Than Income Taxes increased in 2015, as compared 2014, due primarily to an increase in property taxes as a result of an increase in utility plant balances.

EARNINGS SUMMARY

WMECO's earnings decreased \$1.3 million in 2015, as compared to 2014, due primarily to the absence of a 2014 wholesale billing adjustment, which favorably impacted 2014 revenues and interest expense, higher property tax expense and an increase in non-tracked operations and maintenance costs. Partially offsetting these unfavorable earnings impacts was an increase in transmission earnings due primarily to a higher transmission rate base and lower reserves associated with the FERC ROE complaint proceedings recorded in 2015 compared to 2014.

LIQUIDITY

WMECO had cash flows provided by operating activities of \$43 million in 2015, compared with \$153.3 million in 2014. The decrease in operating cash flows was due primarily to the \$57.4 million payment made from WMECO's spent nuclear fuel trust to fully satisfy the pre-1983 spent nuclear fuel obligation with the DOE. Also contributing to the decrease in operating cash flows were DOE Damages proceeds received from the Yankee Companies of \$0.6 million in 2015, compared to \$18.9 million in 2014, the unfavorable impact of accounts receivable due primarily to an increase in basic service rates effective January 1, 2015, and the timing of regulatory recoveries resulting from the increase in purchased power costs. Partially offsetting these unfavorable cash flow impacts were lower income tax payments in 2015 compared to 2014.

Market Risk Information

Commodity Price Risk Management: Our Regulated companies enter into energy contracts to serve our customers and the economic impacts of those contracts are passed on to our customers. Accordingly, the Regulated companies have no exposure to loss of future earnings or fair values due to these market risk-sensitive instruments. Eversource's Energy Supply Risk Committee, comprised of senior officers, reviews and approves all large scale energy related transactions entered into by its Regulated companies.

Other Risk Management Activities

We have an Enterprise Risk Management (ERM) program for identifying the principal risks of the Company. Our ERM program involves the application of a well-defined, enterprise-wide methodology designed to allow our Risk Committee, comprised of our senior officers and directors of the Company, to identify, categorize, prioritize, and mitigate the principal risks to the Company. The ERM program is integrated with other assurance functions throughout the Company including Compliance, Auditing, and Insurance to ensure appropriate coverage of risks that could impact the Company. In addition to known risks, ERM identifies emerging risks to the Company, through participation in industry groups, discussions with management and in consultation with outside advisers. Our management then analyzes risks to determine materiality, likelihood and impact, and develops mitigation strategies. Management broadly considers our business model, the utility industry, the global economy and the current environment to identify risks. The Finance Committee of the Board of Trustees is responsible for oversight of the Company's ERM program and enterprise-wide risks as well as specific risks associated with insurance, credit, financing, investments, pensions and overall system security including cyber security.

The findings of the ERM process are periodically discussed with the Finance Committee of our Board of Trustees, as well as with other Board Committees or the full Board of Trustees, as appropriate, including reporting on how these issues are being measured and managed. However, there can be no assurances that the Enterprise Risk Management process will identify or manage every risk or event that could impact our financial position, results of operations or cash flows.

Interest Rate Risk Management: We manage our interest rate risk exposure in accordance with our written policies and procedures by maintaining a mix of fixed and variable rate long-term debt. As of December 31, 2015, approximately 95 percent of our long-term debt, including fees and interest due for CYAPC's spent nuclear fuel disposal costs, was at a fixed interest rate. The remaining long-term debt is at variable interest rates and is subject to interest rate risk that could result in earnings volatility. Assuming a one percentage point increase in our variable interest rates, annual interest expense would have increased by a pre-tax amount of \$4.7 million.

Credit Risk Management: Credit risk relates to the risk of loss that we would incur as a result of non-performance by counterparties pursuant to the terms of our contractual obligations. We serve a wide variety of customers and transact with suppliers that include IPPs, industrial companies, natural gas and electric utilities, oil and gas producers, financial institutions, and other energy marketers. Margin accounts exist within this diverse group, and we realize interest receipts and payments related to balances outstanding in these margin accounts. This wide customer and supplier mix generates a need for a variety of contractual structures, products and terms that, in turn, require us to manage the portfolio of market risk inherent in those transactions in a manner consistent with the parameters established by our risk management process.

Our Regulated companies are subject to credit risk from certain long-term or high-volume supply contracts with energy marketing companies. Our Regulated companies manage the credit risk with these counterparties in accordance with established credit risk practices and monitor contracting risks, including credit risk. As of December 31, 2015, our Regulated companies did not hold collateral (letters of credit) from counterparties related to our standard service contracts. As of December 31, 2015, Eversource had \$17.1 million of cash posted with ISO-NE related to energy purchase transactions.

For further information on cash collateral deposited and posted with counterparties, see Note 1G, "Summary of Significant Accounting Policies - Deposits," and Note 4, "Derivative Instruments," to the financial statements.

If the respective unsecured debt ratings of Eversource or its subsidiaries were reduced to below investment grade by either Moody's or S&P, certain of Eversource's contracts would require additional collateral in the form of cash to be provided to counterparties and independent system operators. Eversource would have been and remains able to provide that collateral.

Financial Statements and Supplementary Data

Item 8.

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eversource | Company Report on Internal Controls Over Financial Reporting Report of Independent Registered Public Accounting Firm Consolidated Financial Statements |
| CL&P | Company Report on Internal Controls Over Financial Reporting Report of Independent Registered Public Accounting Firm Financial Statements |
| NSTAR Electric | Company Report on Internal Controls Over Financial Reporting Report of Independent Registered Public Accounting Firm Consolidated Financial Statements |
| PSNH | Company Report on Internal Controls Over Financial Reporting Report of Independent Registered Public Accounting Firm Consolidated Financial Statements |
| WMECO | Company Report on Internal Controls Over Financial Reporting Report of Independent Registered Public Accounting Firm Financial Statements |

Company Report on Internal Controls Over Financial Reporting

Eversource Energy

Management is responsible for the preparation, integrity, and fair presentation of the accompanying consolidated financial statements of Eversource Energy and subsidiaries (Eversource or the Company) and of other sections of this annual report. Eversource's internal controls over financial reporting were audited by Deloitte & Touche LLP.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal control framework and processes have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. There are inherent limitations of internal controls over financial reporting that could allow material misstatements due to error or fraud to occur and not be prevented or detected on a timely basis by employees during the normal course of business. Additionally, internal controls over financial reporting may become inadequate in the future due to changes in the business environment.

Under the supervision and with the participation of the principal executive officer and principal financial officer, Eversource conducted an evaluation of the effectiveness of internal controls over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the framework in COSO, management concluded that internal controls over financial reporting were effective as of December 31, 2015.

February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of Eversource Energy:

We have audited the accompanying consolidated balance sheets of Eversource Energy and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, common shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedules listed in the Index at Item 15 of Part IV. We also have audited the Company's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Company Report on Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and financial statement schedules and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eversource Energy and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP

Hartford, Connecticut
February 26, 2016

EVERSOURCE ENERGY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| (Thousands of Dollars) | As of December 31, | |
|-----------------------------------------------------------|--------------------|---------------|
| | 2015 | 2014 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 23,947 | \$ 38,703 |
| Receivables, Net | 775,480 | 856,346 |
| Unbilled Revenues | 202,647 | 211,758 |
| Taxes Receivable | 305,359 | 337,307 |
| Fuel, Materials and Supplies | 336,476 | 349,664 |
| Regulatory Assets | 845,843 | 672,493 |
| Prepayments and Other Current Assets | 129,034 | 226,194 |
| Total Current Assets | 2,618,786 | 2,692,465 |
| Property, Plant and Equipment, Net | 19,892,441 | 18,647,041 |
| Deferred Debits and Other Assets: | | |
| Regulatory Assets | 3,737,960 | 4,054,086 |
| Goodwill | 3,519,401 | 3,519,401 |
| Marketable Securities | 516,478 | 515,025 |
| Other Long-Term Assets | 295,243 | 312,369 |
| Total Deferred Debits and Other Assets | 8,069,082 | 8,400,881 |
| Total Assets | \$ 30,580,309 | \$ 29,740,387 |
| LIABILITIES AND CAPITALIZATION | | |
| Current Liabilities: | | |
| Notes Payable | \$ 1,160,953 | \$ 956,825 |
| Long-Term Debt - Current Portion | 228,883 | 245,583 |
| Accounts Payable | 813,646 | 868,231 |
| Regulatory Liabilities | 107,759 | 235,022 |
| Accumulated Deferred Income Taxes | - | 160,288 |
| Other Current Liabilities | 678,549 | 668,432 |
| Total Current Liabilities | 2,989,790 | 3,134,381 |
| Deferred Credits and Other Liabilities: | | |
| Accumulated Deferred Income Taxes | 5,147,678 | 4,467,473 |
| Regulatory Liabilities | 513,595 | 515,144 |
| Derivative Liabilities | 337,102 | 409,632 |
| Accrued Pension, SERP and PBOP | 1,407,288 | 1,638,558 |
| Other Long-Term Liabilities | 871,499 | 874,387 |
| Total Deferred Credits and Other Liabilities | 8,277,162 | 7,905,194 |
| Capitalization: | | |
| Long-Term Debt | 8,805,574 | 8,568,429 |
| Noncontrolling Interest - Preferred Stock of Subsidiaries | 155,568 | 155,568 |
| Equity: | | |
| Common Shareholders' Equity: | | |
| Common Shares | 1,669,313 | 1,666,796 |
| Capital Surplus, Paid In | 6,262,368 | 6,235,834 |
| Retained Earnings | 2,797,355 | 2,448,661 |
| Accumulated Other Comprehensive Loss | (66,844) | (74,009) |
| Treasury Stock | (309,977) | (300,467) |
| Common Shareholders' Equity | 10,352,215 | 9,976,815 |
| Total Capitalization | 19,313,357 | 18,700,812 |
| Commitments and Contingencies (Note 11) | | |
| Total Liabilities and Capitalization | \$ 30,580,309 | \$ 29,740,387 |

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

EVERSOURCE ENERGY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

| (Thousands of Dollars, Except Share Information) | For the Years Ended December 31, | | |
|-----------------------------------------------------|----------------------------------|--------------|--------------|
| | 2015 | 2014 | 2013 |
| Operating Revenues | \$ 7,954,827 | \$ 7,741,856 | \$ 7,301,204 |
| Operating Expenses: | | | |
| Purchased Power, Fuel and Transmission | 3,086,905 | 3,021,550 | 2,482,954 |
| Operations and Maintenance | 1,329,289 | 1,427,589 | 1,514,986 |
| Depreciation | 665,856 | 614,657 | 610,777 |
| Amortization of Regulatory Assets, Net | 22,339 | 10,704 | 206,322 |
| Amortization of Rate Reduction Bonds | - | - | 42,581 |
| Energy Efficiency Programs | 495,701 | 473,127 | 401,919 |
| Taxes Other Than Income Taxes | 590,573 | 561,380 | 512,230 |
| Total Operating Expenses | 6,190,663 | 6,109,007 | 5,771,769 |
| Operating Income | 1,764,164 | 1,632,849 | 1,529,435 |
| Interest Expense | 372,420 | 362,106 | 338,699 |
| Other Income, Net | 34,227 | 24,619 | 29,894 |
| Income Before Income Tax Expense | 1,425,971 | 1,295,362 | 1,220,630 |
| Income Tax Expense | 539,967 | 468,297 | 426,941 |
| Net Income | 886,004 | 827,065 | 793,689 |
| Net Income Attributable to Noncontrolling Interests | 7,519 | 7,519 | 7,682 |
| Net Income Attributable to Common Shareholders | \$ 878,485 | \$ 819,546 | \$ 786,007 |
| Basic Earnings Per Common Share | \$ 2.77 | \$ 2.59 | \$ 2.49 |
| Diluted Earnings Per Common Share | \$ 2.76 | \$ 2.58 | \$ 2.49 |
| Weighted Average Common Shares Outstanding: | | | |
| Basic | 317,336,881 | 316,136,748 | 315,311,387 |
| Diluted | 318,432,687 | 317,417,414 | 316,211,160 |

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | | |
|------------------------------------------------------------------|------------|------------|------------|
| Net Income | \$ 886,004 | \$ 827,065 | \$ 793,689 |
| Other Comprehensive Income/(Loss), Net of Tax: | | | |
| Qualified Cash Flow Hedging Instruments | 2,079 | 2,037 | 2,049 |
| Changes in Unrealized (Losses)/Gains on Marketable Securities | (2,588) | 315 | (940) |
| Changes in Funded Status of Pension, SERP and PBOP Benefit Plans | 7,674 | (30,330) | 25,714 |
| Other Comprehensive Income/(Loss), Net of Tax | 7,165 | (27,978) | 26,823 |
| Comprehensive Income Attributable to Noncontrolling Interests | (7,519) | (7,519) | (7,682) |
| Comprehensive Income Attributable to Common Shareholders | \$ 885,650 | \$ 791,568 | \$ 812,830 |

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

EVERSOURCE ENERGY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

| (Thousands of Dollars, Except Share Information) | Common Shares | | Capital Surplus, Paid In | Retained Earnings | Accumulated Other Comprehensive Income/(Loss) | Treasury Stock | Total Common Shareholders' Equity |
|--------------------------------------------------|---------------|--------------|--------------------------------|----------------------|--------------------------------------------------------|-------------------|--------------------------------------------|
| | Shares | Amount | | | | | |
| Balance as of January 1, 2013 | 314,053,634 | \$ 1,662,547 | \$ 6,183,267 | \$ 1,802,714 | \$ (72,854) | \$ (338,624) | \$ 9,237,050 |
| Net Income | | | | 793,689 | | | 793,689 |
| Dividends on Common Shares - \$1.47 Per Share | | | | (462,741) | | | (462,741) |
| Dividends on Preferred Stock | | | | (7,682) | | | (7,682) |
| Issuance of Common Shares, \$5 Par Value | 560,848 | 2,804 | 8,274 | | | | 11,078 |
| Long-Term Incentive Plan Activity | | | (10,748) | | | | (10,748) |
| Issuance of Treasury Shares | 659,077 | | 17,381 | | | 12,087 | 29,468 |
| Other Changes in Shareholders' Equity | | | (5,409) | | | | (5,409) |
| Other Comprehensive Income | | | | | 26,823 | | 26,823 |
| Balance as of December 31, 2013 | 315,273,559 | 1,665,351 | 6,192,765 | 2,125,980 | (46,031) | (326,537) | 9,611,528 |
| Net Income | | | | 827,065 | | | 827,065 |
| Dividends on Common Shares - \$1.57 Per Share | | | | (496,524) | | | (496,524) |
| Dividends on Preferred Stock | | | | (7,519) | | | (7,519) |
| Issuance of Common Shares, \$5 Par Value | 288,941 | 1,445 | 5,164 | | | | 6,609 |
| Long-Term Incentive Plan Activity | | | (9,569) | | | | (9,569) |
| Issuance of Treasury Shares | 1,420,837 | | 37,817 | | | 26,070 | 63,887 |
| Other Changes in Shareholders' Equity | | | 9,657 | (341) | | | 9,316 |
| Other Comprehensive Loss | | | | | (27,978) | | (27,978) |
| Balance as of December 31, 2014 | 316,983,337 | 1,666,796 | 6,235,834 | 2,448,661 | (74,009) | (300,467) | 9,976,815 |
| Net Income | | | | 886,004 | | | 886,004 |
| Dividends on Common Shares - \$1.67 Per Share | | | | (529,791) | | | (529,791) |
| Dividends on Preferred Stock | | | | (7,519) | | | (7,519) |
| Issuance of Common Shares, \$5 Par Value | 503,443 | 2,517 | 6,951 | | | | 9,468 |
| Long-Term Incentive Plan Activity | | | (6,140) | | | | (6,140) |
| Increase in Treasury Shares | (295,531) | | 22,070 | | | (9,510) | 12,560 |
| Other Changes in Shareholders' Equity | | | 3,653 | | | | 3,653 |
| Other Comprehensive Income | | | | | 7,165 | | 7,165 |
| Balance as of December 31, 2015 | 317,191,249 | \$ 1,669,313 | \$ 6,262,368 | \$ 2,797,355 | \$ (66,844) | \$ (309,977) | \$ 10,352,215 |

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

EVERSOURCE ENERGY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|-----------------------------------------------------------|----------------------------------|--------------------|--------------------|
| | 2015 | 2014 | 2013 |
| Operating Activities: | | | |
| Net Income | \$ 886,004 | \$ 827,065 | \$ 793,689 |
| Adjustments to Reconcile Net Income to Net Cash Flows | | | |
| Provided by Operating Activities: | | | |
| Depreciation | 665,856 | 614,657 | 610,777 |
| Deferred Income Taxes | 491,736 | 443,259 | 431,413 |
| Pension, SERP and PBOP Expense | 96,017 | 99,056 | 195,698 |
| Pension and PBOP Contributions | (162,452) | (211,649) | (342,184) |
| Regulatory (Under)/Over Recoveries, Net | (163,287) | 6,853 | (24,276) |
| Amortization of Regulatory Assets, Net | 22,339 | 10,704 | 206,322 |
| Amortization of Rate Reduction Bonds | - | - | 42,581 |
| (Payments)/Refunds Related to Spent Nuclear Fuel, Net | (297,253) | 132,138 | - |
| Other | (91,945) | 39,523 | 56,071 |
| Changes in Current Assets and Liabilities: | | | |
| Receivables and Unbilled Revenues, Net | (39,797) | (122,139) | (163,549) |
| Fuel, Materials and Supplies | 34,112 | (41,310) | (14,811) |
| Taxes Receivable/Accrued, Net | 30,282 | (323,224) | (50,950) |
| Accounts Payable | (91,618) | 144,743 | (54,619) |
| Other Current Assets and Liabilities, Net | 44,031 | 15,797 | (22,623) |
| Net Cash Flows Provided by Operating Activities | <u>1,424,025</u> | <u>1,635,473</u> | <u>1,663,539</u> |
| Investing Activities: | | | |
| Investments in Property, Plant and Equipment | (1,724,139) | (1,603,744) | (1,456,787) |
| Proceeds from Sales of Marketable Securities | 799,165 | 488,789 | 627,532 |
| Purchases of Marketable Securities | (717,114) | (491,220) | (679,784) |
| Other Investing Activities | (17,062) | 14,380 | 67,816 |
| Net Cash Flows Used in Investing Activities | <u>(1,659,150)</u> | <u>(1,591,795)</u> | <u>(1,441,223)</u> |
| Financing Activities: | | | |
| Cash Dividends on Common Shares | (529,791) | (475,227) | (462,741) |
| Cash Dividends on Preferred Stock | (7,519) | (7,519) | (7,682) |
| (Decrease)/Increase in Short-Term Debt | (242,122) | 285,075 | (397,000) |
| Issuance of Long-Term Debt | 1,225,000 | 725,000 | 1,680,000 |
| Retirements of Long-Term Debt | (216,700) | (576,551) | (929,885) |
| Retirements of Rate Reduction Bonds | - | - | (82,139) |
| Other Financing Activities | (8,499) | 883 | (25,253) |
| Net Cash Flows Provided by/(Used in) Financing Activities | <u>220,369</u> | <u>(48,339)</u> | <u>(224,700)</u> |
| Net Decrease in Cash and Cash Equivalents | (14,756) | (4,661) | (2,384) |
| Cash and Cash Equivalents - Beginning of Year | 38,703 | 43,364 | 45,748 |
| Cash and Cash Equivalents - End of Year | <u>\$ 23,947</u> | <u>\$ 38,703</u> | <u>\$ 43,364</u> |

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

Company Report on Internal Controls Over Financial Reporting

The Connecticut Light and Power Company

Management is responsible for the preparation, integrity, and fair presentation of the accompanying financial statements of The Connecticut Light and Power Company (CL&P or the Company) and of other sections of this annual report.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal control framework and processes have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. There are inherent limitations of internal controls over financial reporting that could allow material misstatements due to error or fraud to occur and not be prevented or detected on a timely basis by employees during the normal course of business. Additionally, internal controls over financial reporting may become inadequate in the future due to changes in the business environment.

Under the supervision and with the participation of the principal executive officer and principal financial officer, CL&P conducted an evaluation of the effectiveness of internal controls over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the framework in COSO, management concluded that internal controls over financial reporting were effective as of December 31, 2015.

February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of The Connecticut Light and Power Company:

We have audited the accompanying balance sheets of The Connecticut Light and Power Company (the "Company") as of December 31, 2015 and 2014, and the related statements of income, comprehensive income, common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15 of Part IV. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of The Connecticut Light and Power Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Hartford, Connecticut
February 26, 2016

THE CONNECTICUT LIGHT AND POWER COMPANY
BALANCE SHEETS

| (Thousands of Dollars) | As of December 31, | |
|-----------------------------------------------------|---------------------|---------------------|
| | 2015 | 2014 |
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 1,057 | \$ 2,356 |
| Receivables, Net | 352,536 | 355,140 |
| Accounts Receivable from Affiliated Companies | 21,214 | 16,757 |
| Unbilled Revenues | 99,879 | 102,137 |
| Taxes Receivable | 137,643 | 116,148 |
| Regulatory Assets | 268,318 | 220,344 |
| Materials and Supplies | 43,124 | 46,664 |
| Prepayments and Other Current Assets | 32,234 | 37,822 |
| Total Current Assets | <u>956,005</u> | <u>897,368</u> |
| Property, Plant and Equipment, Net | <u>7,156,809</u> | <u>6,809,664</u> |
| Deferred Debits and Other Assets: | | |
| Regulatory Assets | 1,369,028 | 1,475,508 |
| Other Long-Term Assets | 111,115 | 161,860 |
| Total Deferred Debits and Other Assets | <u>1,480,143</u> | <u>1,637,368</u> |
| Total Assets | <u>\$ 9,592,957</u> | <u>\$ 9,344,400</u> |
| LIABILITIES AND CAPITALIZATION | | |
| Current Liabilities: | | |
| Notes Payable to Eversource Parent | \$ 277,400 | \$ 133,400 |
| Long-Term Debt - Current Portion | - | 162,000 |
| Accounts Payable | 267,764 | 272,971 |
| Accounts Payable to Affiliated Companies | 66,456 | 65,594 |
| Obligations to Third Party Suppliers | 60,746 | 73,624 |
| Regulatory Liabilities | 61,155 | 124,722 |
| Derivative Liabilities | 91,820 | 88,459 |
| Other Current Liabilities | 110,631 | 153,420 |
| Total Current Liabilities | <u>935,972</u> | <u>1,074,190</u> |
| Deferred Credits and Other Liabilities: | | |
| Accumulated Deferred Income Taxes | 1,820,865 | 1,642,805 |
| Regulatory Liabilities | 74,830 | 81,298 |
| Derivative Liabilities | 336,189 | 406,199 |
| Accrued Pension, SERP and PBOP | 271,056 | 273,854 |
| Other Long-Term Liabilities | 133,446 | 148,844 |
| Total Deferred Credits and Other Liabilities | <u>2,636,386</u> | <u>2,553,000</u> |
| Capitalization: | | |
| Long-Term Debt | <u>2,763,682</u> | <u>2,664,243</u> |
| Preferred Stock Not Subject to Mandatory Redemption | <u>116,200</u> | <u>116,200</u> |
| Common Stockholder's Equity: | | |
| Common Stock | 60,352 | 60,352 |
| Capital Surplus, Paid In | 1,910,663 | 1,804,869 |
| Retained Earnings | 1,170,278 | 1,072,477 |
| Accumulated Other Comprehensive Loss | (576) | (931) |
| Common Stockholder's Equity | <u>3,140,717</u> | <u>2,936,767</u> |
| Total Capitalization | <u>6,020,599</u> | <u>5,717,210</u> |
| Commitments and Contingencies (Note 11) | | |
| Total Liabilities and Capitalization | <u>\$ 9,592,957</u> | <u>\$ 9,344,400</u> |

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

THE CONNECTICUT LIGHT AND POWER COMPANY
STATEMENTS OF INCOME

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|----------------------------------------|----------------------------------|--------------|--------------|
| | 2015 | 2014 | 2013 |
| Operating Revenues | \$ 2,802,675 | \$ 2,692,582 | \$ 2,442,341 |
| Operating Expenses: | | | |
| Purchased Power and Transmission | 1,054,313 | 982,876 | 872,769 |
| Operations and Maintenance | 487,281 | 494,578 | 523,247 |
| Depreciation | 215,289 | 188,837 | 177,603 |
| Amortization of Regulatory Assets, Net | 12,318 | 59,336 | 4,870 |
| Energy Efficiency Programs | 153,725 | 156,335 | 89,858 |
| Taxes Other Than Income Taxes | 268,688 | 255,370 | 234,418 |
| Total Operating Expenses | 2,191,614 | 2,137,332 | 1,902,765 |
| Operating Income | 611,061 | 555,250 | 539,576 |
| Interest Expense | 145,795 | 147,421 | 133,650 |
| Other Income, Net | 11,490 | 13,376 | 15,149 |
| Income Before Income Tax Expense | 476,756 | 421,205 | 421,075 |
| Income Tax Expense | 177,396 | 133,451 | 141,663 |
| Net Income | \$ 299,360 | \$ 287,754 | \$ 279,412 |

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

STATEMENTS OF COMPREHENSIVE INCOME

| | | | |
|---------------------------------------------------------------|------------|------------|------------|
| Net Income | \$ 299,360 | \$ 287,754 | \$ 279,412 |
| Other Comprehensive Income, Net of Tax: | | | |
| Qualified Cash Flow Hedging Instruments | 444 | 444 | 444 |
| Changes in Unrealized (Losses)/Gains on Marketable Securities | (89) | 12 | (31) |
| Other Comprehensive Income, Net of Tax | 355 | 456 | 413 |
| Comprehensive Income | \$ 299,715 | \$ 288,210 | \$ 279,825 |

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

THE CONNECTICUT LIGHT AND POWER COMPANY
STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

| (Thousands of Dollars, Except Stock Information) | Common Stock | | Capital Surplus, | Retained | Accumulated Other Comprehensive | Total Common Stockholder's |
|--------------------------------------------------|--------------|-----------|------------------|--------------|---------------------------------|----------------------------|
| | Stock | Amount | Paid In | Earnings | Income/(Loss) | Equity |
| Balance as of January 1, 2013 | 6,035,205 | \$ 60,352 | \$ 1,640,149 | \$ 839,628 | \$ (1,800) | \$ 2,538,329 |
| Net Income | | | | 279,412 | | 279,412 |
| Dividends on Preferred Stock | | | | (5,559) | | (5,559) |
| Dividends on Common Stock | | | | (151,999) | | (151,999) |
| Allocation of Benefits - ESOP | | | 1,847 | | | 1,847 |
| Capital Stock Expenses, Net | | | 51 | | | 51 |
| Capital Contributions from Eversource Parent | | | 40,000 | | | 40,000 |
| Other Comprehensive Income | | | | | 413 | 413 |
| Balance as of December 31, 2013 | 6,035,205 | 60,352 | 1,682,047 | 961,482 | (1,387) | 2,702,494 |
| Net Income | | | | 287,754 | | 287,754 |
| Dividends on Preferred Stock | | | | (5,559) | | (5,559) |
| Dividends on Common Stock | | | | (171,200) | | (171,200) |
| Allocation of Benefits - ESOP | | | 2,771 | | | 2,771 |
| Capital Stock Expenses, Net | | | 51 | | | 51 |
| Capital Contributions from Eversource Parent | | | 120,000 | | | 120,000 |
| Other Comprehensive Income | | | | | 456 | 456 |
| Balance as of December 31, 2014 | 6,035,205 | 60,352 | 1,804,869 | 1,072,477 | (931) | 2,936,767 |
| Net Income | | | | 299,360 | | 299,360 |
| Dividends on Preferred Stock | | | | (5,559) | | (5,559) |
| Dividends on Common Stock | | | | (196,000) | | (196,000) |
| Allocation of Benefits - ESOP | | | 743 | | | 743 |
| Capital Stock Expenses, Net | | | 51 | | | 51 |
| Capital Contributions from Eversource Parent | | | 105,000 | | | 105,000 |
| Other Comprehensive Income | | | | | 355 | 355 |
| Balance as of December 31, 2015 | 6,035,205 | \$ 60,352 | \$ 1,910,663 | \$ 1,170,278 | \$ (576) | \$ 3,140,717 |

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

THE CONNECTICUT LIGHT AND POWER COMPANY
STATEMENTS OF CASH FLOWS

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|-----------------------------------------------------------|----------------------------------|------------------|------------------|
| | 2015 | 2014 | 2013 |
| Operating Activities: | | | |
| Net Income | \$ 299,360 | \$ 287,754 | \$ 279,412 |
| Adjustments to Reconcile Net Income to Net Cash Flows | | | |
| Provided by Operating Activities: | | | |
| Depreciation | 215,289 | 188,837 | 177,603 |
| Deferred Income Taxes | 135,994 | 130,949 | 130,038 |
| Pension, SERP and PBOP Expense, Net of PBOP Contributions | 14,091 | 14,992 | 24,416 |
| Regulatory (Under)/Over Recoveries, Net | (53,781) | (20,502) | 28,298 |
| Amortization of Regulatory Assets, Net | 12,318 | 59,336 | 4,870 |
| (Payments)/Refunds Related to Spent Nuclear Fuel, Net | (242,231) | 68,610 | - |
| Other | (36,385) | (1,342) | (3,478) |
| Changes in Current Assets and Liabilities: | | | |
| Receivables and Unbilled Revenues, Net | (29,195) | (78,631) | (56,593) |
| Materials and Supplies | 22,810 | 13,063 | 9,997 |
| Taxes Receivable/Accrued, Net | (13,517) | (126,376) | (41,594) |
| Accounts Payable | (16,910) | 68,891 | (66,225) |
| Other Current Assets and Liabilities, Net | (9,514) | 6,838 | 8,513 |
| Net Cash Flows Provided by Operating Activities | <u>298,329</u> | <u>612,419</u> | <u>495,257</u> |
| Investing Activities: | | | |
| Investments in Property, Plant and Equipment | (523,849) | (515,710) | (434,934) |
| Other Investing Activities | (716) | 12,653 | 2,650 |
| Net Cash Flows Used in Investing Activities | <u>(524,565)</u> | <u>(503,057)</u> | <u>(432,284)</u> |
| Financing Activities: | | | |
| Cash Dividends on Common Stock | (196,000) | (171,200) | (151,999) |
| Cash Dividends on Preferred Stock | (5,559) | (5,559) | (5,559) |
| Decrease in Short-Term Debt | - | - | (89,000) |
| Increase/(Decrease) in Notes Payable to Eversource Parent | 144,000 | (153,900) | (117,800) |
| Issuance of Long-Term Debt | 350,000 | 250,000 | 400,000 |
| Retirements of Long-Term Debt | (162,000) | (150,000) | (125,000) |
| Capital Contributions from Eversource Parent | 105,000 | 120,000 | 40,000 |
| Other Financing Activities | (10,504) | (3,584) | (6,379) |
| Net Cash Flows Provided by/(Used in) Financing Activities | <u>224,937</u> | <u>(114,243)</u> | <u>(55,737)</u> |
| Net (Decrease)/Increase in Cash | (1,299) | (4,881) | 7,236 |
| Cash - Beginning of Year | 2,356 | 7,237 | 1 |
| Cash - End of Year | <u>\$ 1,057</u> | <u>\$ 2,356</u> | <u>\$ 7,237</u> |

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

Company Report on Internal Controls Over Financial Reporting

NSTAR Electric Company

Management is responsible for the preparation, integrity, and fair presentation of the accompanying consolidated financial statements of NSTAR Electric Company and subsidiary (NSTAR Electric or the Company) and of other sections of this annual report.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal control framework and processes have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. There are inherent limitations of internal controls over financial reporting that could allow material misstatements due to error or fraud to occur and not be prevented or detected on a timely basis by employees during the normal course of business. Additionally, internal controls over financial reporting may become inadequate in the future due to changes in the business environment.

Under the supervision and with the participation of the principal executive officer and principal financial officer, NSTAR Electric conducted an evaluation of the effectiveness of internal controls over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the framework in COSO, management concluded that internal controls over financial reporting were effective as of December 31, 2015.

February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of NSTAR Electric Company:

We have audited the accompanying consolidated balance sheets of NSTAR Electric Company and subsidiary (the "Company") as of December 31, 2015 and 2014 and the related consolidated statements of income, comprehensive income, common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15 of Part IV. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of NSTAR Electric Company and subsidiary as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Hartford, Connecticut
February 26, 2016

NSTAR ELECTRIC COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

| (Thousands of Dollars) | As of December 31, | |
|------------------------------------------------------|---------------------|---------------------|
| | 2015 | 2014 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 3,346 | \$ 12,773 |
| Receivables, Net | 229,936 | 234,481 |
| Accounts Receivable from Affiliated Companies | 4,034 | 40,353 |
| Unbilled Revenues | 29,464 | 29,741 |
| Taxes Receivable | 70,236 | 144,601 |
| Materials and Supplies | 75,487 | 74,179 |
| Regulatory Assets | 348,408 | 198,710 |
| Prepayments and Other Current Assets | 11,448 | 10,815 |
| Total Current Assets | <u>772,359</u> | <u>745,653</u> |
| Property, Plant and Equipment, Net | <u>5,655,458</u> | <u>5,335,436</u> |
| Deferred Debits and Other Assets: | | |
| Regulatory Assets | 1,112,977 | 1,179,100 |
| Other Long-Term Assets | 62,467 | 61,880 |
| Total Deferred Debits and Other Assets | <u>1,175,444</u> | <u>1,240,980</u> |
| Total Assets | <u>\$ 7,603,261</u> | <u>\$ 7,322,069</u> |
| LIABILITIES AND CAPITALIZATION | | |
| Current Liabilities: | | |
| Notes Payable | \$ 62,500 | \$ 302,000 |
| Long-Term Debt - Current Portion | 200,000 | 4,700 |
| Accounts Payable | 228,250 | 217,311 |
| Accounts Payable to Affiliated Companies | 38,648 | 63,517 |
| Obligations to Third Party Suppliers | 56,718 | 34,824 |
| Renewable Portfolio Standards Compliance Obligations | 104,847 | 60,750 |
| Accumulated Deferred Income Taxes | - | 55,136 |
| Regulatory Liabilities | 3,281 | 49,611 |
| Other Current Liabilities | 72,007 | 90,939 |
| Total Current Liabilities | <u>766,251</u> | <u>878,788</u> |
| Deferred Credits and Other Liabilities: | | |
| Accumulated Deferred Income Taxes | 1,760,339 | 1,527,667 |
| Regulatory Liabilities | 264,352 | 262,738 |
| Accrued Pension, SERP and PBOP | 209,153 | 235,529 |
| Other Long-Term Liabilities | 120,939 | 129,279 |
| Total Deferred Credits and Other Liabilities | <u>2,354,783</u> | <u>2,155,213</u> |
| Capitalization: | | |
| Long-Term Debt | <u>1,829,766</u> | <u>1,781,541</u> |
| Preferred Stock Not Subject to Mandatory Redemption | <u>43,000</u> | <u>43,000</u> |
| Common Stockholder's Equity: | | |
| Common Stock | - | - |
| Capital Surplus, Paid In | 995,378 | 994,130 |
| Retained Earnings | 1,613,538 | 1,468,955 |
| Accumulated Other Comprehensive Income | 545 | 442 |
| Common Stockholder's Equity | <u>2,609,461</u> | <u>2,463,527</u> |
| Total Capitalization | <u>4,482,227</u> | <u>4,288,068</u> |
| Commitments and Contingencies (Note 11) | | |
| Total Liabilities and Capitalization | <u>\$ 7,603,261</u> | <u>\$ 7,322,069</u> |

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

NSTAR ELECTRIC COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|------------------------------------------------------|----------------------------------|--------------|--------------|
| | 2015 | 2014 | 2013 |
| Operating Revenues | \$ 2,681,342 | \$ 2,536,677 | \$ 2,493,479 |
| Operating Expenses: | | | |
| Purchased Power and Transmission | 1,190,191 | 1,122,298 | 849,149 |
| Operations and Maintenance | 306,528 | 326,972 | 376,360 |
| Depreciation | 196,770 | 188,693 | 180,298 |
| Amortization of Regulatory (Liabilities)/Assets, Net | (12,989) | (6,330) | 230,148 |
| Amortization of Rate Reduction Bonds | - | - | 15,054 |
| Energy Efficiency Programs | 224,755 | 193,516 | 206,536 |
| Taxes Other Than Income Taxes | 133,260 | 133,072 | 127,778 |
| Total Operating Expenses | 2,038,515 | 1,958,221 | 1,985,323 |
| Operating Income | 642,827 | 578,456 | 508,156 |
| Interest Expense | 75,347 | 77,878 | 70,383 |
| Other Income, Net | 5,106 | 4,491 | 3,639 |
| Income Before Income Tax Expense | 572,586 | 505,069 | 441,412 |
| Income Tax Expense | 228,044 | 201,981 | 172,866 |
| Net Income | \$ 344,542 | \$ 303,088 | \$ 268,546 |

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | | |
|-----------------------------------------------|------------|------------|------------|
| Net Income | \$ 344,542 | \$ 303,088 | \$ 268,546 |
| Other Comprehensive Income, Net of Tax: | | | |
| Changes in Funded Status of SERP Benefit Plan | 103 | 442 | - |
| Other Comprehensive Income, Net of Tax | 103 | 442 | - |
| Comprehensive Income | \$ 344,645 | \$ 303,530 | \$ 268,546 |

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

NSTAR ELECTRIC COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

| (Thousands of Dollars, Except Stock Information) | Common Stock | | Capital Surplus, | Retained | Accumulated Other Comprehensive | Total Common Stockholder's |
|--------------------------------------------------|--------------|--------|------------------|--------------|---------------------------------|----------------------------|
| | Stock | Amount | Paid In | Earnings | Income | Equity |
| Balance as of January 1, 2013 | 100 | \$ - | \$ 992,625 | \$ 1,210,405 | \$ - | \$ 2,203,030 |
| Net Income | | | | 268,546 | | 268,546 |
| Dividends on Preferred Stock | | | | (2,123) | | (2,123) |
| Dividends on Common Stock | | | | (56,000) | | (56,000) |
| Balance as of December 31, 2013 | 100 | - | 992,625 | 1,420,828 | - | 2,413,453 |
| Net Income | | | | 303,088 | | 303,088 |
| Dividends on Preferred Stock | | | | (1,961) | | (1,961) |
| Dividends on Common Stock | | | | (253,000) | | (253,000) |
| Other Changes in Stockholder's Equity | | | 1,505 | | | 1,505 |
| Accumulated Other Comprehensive Income | | | | | 442 | 442 |
| Balance as of December 31, 2014 | 100 | - | 994,130 | 1,468,955 | 442 | 2,463,527 |
| Net Income | | | | 344,542 | | 344,542 |
| Dividends on Preferred Stock | | | | (1,960) | | (1,960) |
| Dividends on Common Stock | | | | (197,999) | | (197,999) |
| Other Changes in Stockholder's Equity | | | 1,248 | | | 1,248 |
| Accumulated Other Comprehensive Income | | | | | 103 | 103 |
| Balance as of December 31, 2015 | 100 | \$ - | \$ 995,378 | \$ 1,613,538 | \$ 545 | \$ 2,609,461 |

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

NSTAR ELECTRIC COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|-------------------------------------------------------|----------------------------------|------------|------------|
| | 2015 | 2014 | 2013 |
| Operating Activities: | | | |
| Net Income | \$ 344,542 | \$ 303,088 | \$ 268,546 |
| Adjustments to Reconcile Net Income to Net Cash Flows | | | |
| Provided by Operating Activities: | | | |
| Depreciation | 196,770 | 188,693 | 180,298 |
| Deferred Income Taxes | 173,155 | 108,133 | 48,808 |
| Pension and PBOP Expense | 10,786 | 6,760 | 35,731 |
| Pension and PBOP Contributions | (9,886) | (120,306) | (82,000) |
| Regulatory (Under)/Over Recoveries, Net | (124,323) | 57,696 | (119,433) |
| Amortization of Regulatory (Liabilities)/Assets, Net | (12,989) | (6,330) | 230,148 |
| Amortization of Rate Reduction Bonds | - | - | 15,054 |
| Bad Debt Expense | 14,228 | 24,740 | 28,108 |
| Refunds Related to Spent Nuclear Fuel | 783 | 30,193 | - |
| Other | (56,063) | (51,478) | 4,428 |
| Changes in Current Assets and Liabilities: | | | |
| Receivables and Unbilled Revenues, Net | (35,525) | (18,853) | (45,405) |
| Materials and Supplies | 406 | (29,943) | 3,227 |
| Taxes Receivable/Accrued, Net | 77,429 | (122,746) | (38,003) |
| Accounts Payable | 21,961 | 9,753 | 31,875 |
| Accounts Receivable from/Payable to Affiliates, Net | 11,450 | 115,092 | (44,491) |
| Other Current Assets and Liabilities, Net | 44,302 | 38,535 | (6,468) |
| Net Cash Flows Provided by Operating Activities | 657,026 | 533,027 | 510,423 |
| Investing Activities: | | | |
| Investments in Property, Plant and Equipment | (469,466) | (465,028) | (476,600) |
| Decrease in Special Deposits | - | - | 37,604 |
| Other Investing Activities | - | - | 400 |
| Net Cash Flows Used in Investing Activities | (469,466) | (465,028) | (438,596) |
| Financing Activities: | | | |
| Cash Dividends on Common Stock | (197,999) | (253,000) | (56,000) |
| Cash Dividends on Preferred Stock | (1,960) | (1,961) | (2,123) |
| (Decrease)/Increase in Short-Term Debt | (239,500) | 198,500 | (172,500) |
| Issuance of Long-Term Debt | 250,000 | 300,000 | 200,000 |
| Retirements of Long-Term Debt | (4,700) | (301,650) | (1,650) |
| Retirements of Rate Reduction Bonds | - | - | (43,493) |
| Other Financing Activities | (2,828) | (5,136) | (1,735) |
| Net Cash Flows Used in Financing Activities | (196,987) | (63,247) | (77,501) |
| Net (Decrease)/Increase in Cash and Cash Equivalents | (9,427) | 4,752 | (5,674) |
| Cash and Cash Equivalents - Beginning of Year | 12,773 | 8,021 | 13,695 |
| Cash and Cash Equivalents - End of Year | \$ 3,346 | \$ 12,773 | \$ 8,021 |

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

Company Report on Internal Controls Over Financial Reporting

Public Service Company of New Hampshire

Management is responsible for the preparation, integrity, and fair presentation of the accompanying consolidated financial statements of Public Service Company of New Hampshire and subsidiary (PSNH or the Company) and of other sections of this annual report.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal control framework and processes have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. There are inherent limitations of internal controls over financial reporting that could allow material misstatements due to error or fraud to occur and not be prevented or detected on a timely basis by employees during the normal course of business. Additionally, internal controls over financial reporting may become inadequate in the future due to changes in the business environment.

Under the supervision and with the participation of the principal executive officer and principal financial officer, PSNH conducted an evaluation of the effectiveness of internal controls over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the framework in COSO, management concluded that internal controls over financial reporting were effective as of December 31, 2015.

February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of Public Service Company of New Hampshire:

We have audited the accompanying consolidated balance sheets of Public Service Company of New Hampshire and subsidiary (the "Company") as of December 31, 2015 and 2014 and the related consolidated statements of income, comprehensive income, common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15 of Part IV. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Public Service Company of New Hampshire and subsidiary as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Hartford, Connecticut
February 26, 2016

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

| (Thousands of Dollars) | As of December 31, | |
|-----------------------------------------------|---------------------|---------------------|
| | 2015 | 2014 |
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash | \$ 1,733 | \$ 489 |
| Receivables, Net | 77,546 | 80,151 |
| Accounts Receivable from Affiliated Companies | 2,352 | 3,194 |
| Unbilled Revenues | 38,207 | 40,181 |
| Taxes Receivable | 43,128 | 14,571 |
| Fuel, Materials and Supplies | 156,868 | 148,139 |
| Regulatory Assets | 104,971 | 111,705 |
| Prepayments and Other Current Assets | 24,302 | 27,821 |
| Total Current Assets | <u>449,107</u> | <u>426,251</u> |
| Property, Plant and Equipment, Net | <u>2,855,363</u> | <u>2,635,844</u> |
| Deferred Debits and Other Assets: | | |
| Regulatory Assets | 257,873 | 293,115 |
| Other Long-Term Assets | 34,176 | 32,963 |
| Total Deferred Debits and Other Assets | <u>292,049</u> | <u>326,078</u> |
| Total Assets | <u>\$ 3,596,519</u> | <u>\$ 3,388,173</u> |
| <u>LIABILITIES AND CAPITALIZATION</u> | | |
| Current Liabilities: | | |
| Notes Payable to Eversource Parent | \$ 231,300 | \$ 90,500 |
| Accounts Payable | 87,925 | 93,349 |
| Accounts Payable to Affiliated Companies | 24,214 | 33,734 |
| Regulatory Liabilities | 6,898 | 16,044 |
| Accumulated Deferred Income Taxes | - | 36,164 |
| Other Current Liabilities | 43,921 | 38,969 |
| Total Current Liabilities | <u>394,258</u> | <u>308,760</u> |
| Deferred Credits and Other Liabilities: | | |
| Accumulated Deferred Income Taxes | 705,894 | 587,292 |
| Regulatory Liabilities | 47,851 | 51,372 |
| Accrued Pension, SERP and PBOP | 89,579 | 93,243 |
| Other Long-Term Liabilities | 50,746 | 50,155 |
| Total Deferred Credits and Other Liabilities | <u>894,070</u> | <u>782,062</u> |
| Capitalization: | | |
| Long-Term Debt | <u>1,071,017</u> | <u>1,070,021</u> |
| Common Stockholder's Equity: | | |
| Common Stock | - | - |
| Capital Surplus, Paid In | 748,634 | 748,240 |
| Retained Earnings | 494,901 | 486,459 |
| Accumulated Other Comprehensive Loss | (6,361) | (7,369) |
| Common Stockholder's Equity | <u>1,237,174</u> | <u>1,227,330</u> |
| Total Capitalization | <u>2,308,191</u> | <u>2,297,351</u> |
| Commitments and Contingencies (Note 11) | | |
| Total Liabilities and Capitalization | <u>\$ 3,596,519</u> | <u>\$ 3,388,173</u> |

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|------------------------------------------------------|----------------------------------|------------|------------|
| | 2015 | 2014 | 2013 |
| Operating Revenues | \$ 972,203 | \$ 959,500 | \$ 935,402 |
| Operating Expenses: | | | |
| Purchased Power, Fuel and Transmission | 247,721 | 313,732 | 269,754 |
| Operations and Maintenance | 276,554 | 261,848 | 267,797 |
| Depreciation | 105,372 | 98,436 | 91,581 |
| Amortization of Regulatory Assets/(Liabilities), Net | 16,276 | (29,602) | (20,387) |
| Amortization of Rate Reduction Bonds | - | - | 19,748 |
| Energy Efficiency Programs | 14,324 | 14,286 | 14,494 |
| Taxes Other Than Income Taxes | 81,779 | 71,417 | 67,196 |
| Total Operating Expenses | 742,026 | 730,117 | 710,183 |
| Operating Income | 230,177 | 229,383 | 225,219 |
| Interest Expense | 45,990 | 45,349 | 46,176 |
| Other Income, Net | 3,315 | 2,045 | 3,455 |
| Income Before Income Tax Expense | 187,502 | 186,079 | 182,498 |
| Income Tax Expense | 73,060 | 72,135 | 71,101 |
| Net Income | \$ 114,442 | \$ 113,944 | \$ 111,397 |

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | | |
|---------------------------------------------------------------|------------|------------|------------|
| Net Income | \$ 114,442 | \$ 113,944 | \$ 111,397 |
| Other Comprehensive Income, Net of Tax: | | | |
| Qualified Cash Flow Hedging Instruments | 1,162 | 1,162 | 1,162 |
| Changes in Unrealized (Losses)/Gains on Marketable Securities | (154) | 19 | (54) |
| Changes in Funded Status of SERP Benefit Plan | - | - | (3) |
| Other Comprehensive Income, Net of Tax | 1,008 | 1,181 | 1,105 |
| Comprehensive Income | \$ 115,450 | \$ 115,125 | \$ 112,502 |

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

| (Thousands of Dollars, Except Stock Information) | Common Stock | | Capital Surplus, | Retained | Accumulated Other Comprehensive | Total Common Stockholder's |
|--------------------------------------------------|--------------|--------|------------------|------------|---------------------------------|----------------------------|
| | Stock | Amount | Paid In | Earnings | Income/(Loss) | Equity |
| Balance as of January 1, 2013 | 301 | \$ - | \$ 701,052 | \$ 395,118 | \$ (9,655) | \$ 1,086,515 |
| Net Income | | | | 111,397 | | 111,397 |
| Dividends on Common Stock | | | | (68,000) | | (68,000) |
| Allocation of Benefits - ESOP | | | 859 | | | 859 |
| Other Comprehensive Income | | | | | 1,105 | 1,105 |
| Balance as of December 31, 2013 | 301 | - | 701,911 | 438,515 | (8,550) | 1,131,876 |
| Net Income | | | | 113,944 | | 113,944 |
| Dividends on Common Stock | | | | (66,000) | | (66,000) |
| Capital Contributions from Eversource Parent | | | 45,000 | | | 45,000 |
| Allocation of Benefits - ESOP | | | 1,329 | | | 1,329 |
| Other Comprehensive Income | | | | | 1,181 | 1,181 |
| Balance as of December 31, 2014 | 301 | - | 748,240 | 486,459 | (7,369) | 1,227,330 |
| Net Income | | | | 114,442 | | 114,442 |
| Dividends on Common Stock | | | | (106,000) | | (106,000) |
| Allocation of Benefits - ESOP | | | 394 | | | 394 |
| Other Comprehensive Income | | | | | 1,008 | 1,008 |
| Balance as of December 31, 2015 | 301 | \$ - | \$ 748,634 | \$ 494,901 | \$ (6,361) | \$ 1,237,174 |

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|-----------------------------------------------------------|----------------------------------|------------|------------|
| | 2015 | 2014 | 2013 |
| Operating Activities: | | | |
| Net Income | \$ 114,442 | \$ 113,944 | \$ 111,397 |
| Adjustments to Reconcile Net Income to Net Cash Flows | | | |
| Provided by Operating Activities: | | | |
| Depreciation | 105,372 | 98,436 | 91,581 |
| Deferred Income Taxes | 83,776 | 94,813 | 75,693 |
| Pension, SERP and PBOP Expense | 4,580 | 7,197 | 26,846 |
| Pension and PBOP Contributions | (982) | (2,482) | (112,964) |
| Regulatory Over/(Under) Recoveries, Net | 41 | (11,875) | (8,481) |
| Amortization of Regulatory Assets/(Liabilities), Net | 16,276 | (29,602) | (20,387) |
| Amortization of Rate Reduction Bonds | - | - | 19,748 |
| Refunds Related to Spent Nuclear Fuel | 979 | 14,453 | - |
| Other | 8,677 | 10,095 | 16,079 |
| Changes in Current Assets and Liabilities: | | | |
| Receivables and Unbilled Revenues, Net | (4,750) | (15,576) | 2,412 |
| Fuel, Materials and Supplies | (8,729) | (19,403) | (33,391) |
| Taxes Receivable/Accrued, Net | (23,909) | (23,857) | 26,462 |
| Accounts Payable | (22,203) | 17,796 | 2,632 |
| Other Current Assets and Liabilities, Net | 953 | (5,972) | (9,520) |
| Net Cash Flows Provided by Operating Activities | 274,523 | 247,967 | 188,107 |
| Investing Activities: | | | |
| Investments in Property, Plant and Equipment | (308,036) | (256,159) | (186,009) |
| (Increase)/Decrease in Special Deposits | - | (1,013) | 22,040 |
| Other Investing Activities | 306 | (139) | (88) |
| Net Cash Flows Used in Investing Activities | (307,730) | (257,311) | (164,057) |
| Financing Activities: | | | |
| Cash Dividends on Common Stock | (106,000) | (66,000) | (68,000) |
| Increase in Short-Term Debt | - | 4,000 | 23,200 |
| Issuance of Long-Term Debt | - | 75,000 | 250,000 |
| Retirements of Long-Term Debt | - | (50,000) | (198,235) |
| Retirements of Rate Reduction Bonds | - | - | (29,294) |
| Increase in Notes Payable to Eversource Parent | 140,800 | - | - |
| Capital Contributions from Eversource Parent | - | 45,000 | - |
| Other Financing Activities | (349) | 1,703 | (4,084) |
| Net Cash Flows Provided by/(Used in) Financing Activities | 34,451 | 9,703 | (26,413) |
| Net Increase/(Decrease) in Cash | 1,244 | 359 | (2,363) |
| Cash - Beginning of Year | 489 | 130 | 2,493 |
| Cash - End of Year | \$ 1,733 | \$ 489 | \$ 130 |

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

Company Report on Internal Controls Over Financial Reporting

Western Massachusetts Electric Company

Management is responsible for the preparation, integrity, and fair presentation of the accompanying financial statements of Western Massachusetts Electric Company (WMECO or the Company) and of other sections of this annual report.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal control framework and processes have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. There are inherent limitations of internal controls over financial reporting that could allow material misstatements due to error or fraud to occur and not be prevented or detected on a timely basis by employees during the normal course of business. Additionally, internal controls over financial reporting may become inadequate in the future due to changes in the business environment.

Under the supervision and with the participation of the principal executive officer and principal financial officer, WMECO conducted an evaluation of the effectiveness of internal controls over financial reporting based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the framework in COSO, management concluded that internal controls over financial reporting were effective as of December 31, 2015.

February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of Western Massachusetts Electric Company:

We have audited the accompanying balance sheets of Western Massachusetts Electric Company (the "Company") as of December 31, 2015 and 2014 and the related statements of income, comprehensive income, common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15 of Part IV. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Western Massachusetts Electric Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Hartford, Connecticut
February 26, 2016

WESTERN MASSACHUSETTS ELECTRIC COMPANY
BALANCE SHEETS

| (Thousands of Dollars) | | As of December 31, | |
|-----------------------------------------------|--------------|--------------------|------|
| | 2015 | | 2014 |
| ASSETS | | | |
| Current Assets: | | | |
| Cash | \$ 834 | \$ - | |
| Receivables, Net | 50,912 | 51,066 | |
| Accounts Receivable from Affiliated Companies | 18,633 | 7,851 | |
| Unbilled Revenues | 15,065 | 15,146 | |
| Taxes Receivable | 33,407 | 18,126 | |
| Regulatory Assets | 56,166 | 51,923 | |
| Marketable Securities | - | 28,658 | |
| Prepayments and Other Current Assets | 7,882 | 7,607 | |
| Total Current Assets | 182,899 | 180,377 | |
| Property, Plant and Equipment, Net | 1,575,306 | 1,461,321 | |
| Deferred Debits and Other Assets: | | | |
| Regulatory Assets | 135,010 | 146,307 | |
| Marketable Securities | - | 29,452 | |
| Other Long-Term Assets | 24,875 | 18,731 | |
| Total Deferred Debits and Other Assets | 159,885 | 194,490 | |
| Total Assets | \$ 1,918,090 | \$ 1,836,188 | |
| LIABILITIES AND CAPITALIZATION | | | |
| Current Liabilities: | | | |
| Notes Payable to Eversource Parent | \$ 143,400 | \$ 21,400 | |
| Long-Term Debt - Current Portion | - | 50,000 | |
| Accounts Payable | 58,364 | 53,732 | |
| Accounts Payable to Affiliated Companies | 19,896 | 14,328 | |
| Regulatory Liabilities | 13,122 | 22,486 | |
| Accumulated Deferred Income Taxes | - | 18,089 | |
| Other Current Liabilities | 29,927 | 24,080 | |
| Total Current Liabilities | 264,709 | 204,115 | |
| Deferred Credits and Other Liabilities: | | | |
| Accumulated Deferred Income Taxes | 470,539 | 416,822 | |
| Regulatory Liabilities | 11,597 | 10,835 | |
| Accrued Pension, SERP and PBOP | 19,515 | 17,705 | |
| Other Long-Term Liabilities | 36,819 | 33,747 | |
| Total Deferred Credits and Other Liabilities | 538,470 | 479,109 | |
| Capitalization: | | | |
| Long-Term Debt | 517,329 | 575,184 | |
| Common Stockholder's Equity: | | | |
| Common Stock | 10,866 | 10,866 | |
| Capital Surplus, Paid In | 391,398 | 391,256 | |
| Retained Earnings | 198,140 | 178,834 | |
| Accumulated Other Comprehensive Loss | (2,822) | (3,176) | |
| Common Stockholder's Equity | 597,582 | 577,780 | |
| Total Capitalization | 1,114,911 | 1,152,964 | |
| Commitments and Contingencies (Note 11) | | | |
| Total Liabilities and Capitalization | \$ 1,918,090 | \$ 1,836,188 | |

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

WESTERN MASSACHUSETTS ELECTRIC COMPANY
STATEMENTS OF INCOME

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|------------------------------------------------------|----------------------------------|------------|------------|
| | 2015 | 2014 | 2013 |
| Operating Revenues | \$ 518,128 | \$ 493,423 | \$ 472,724 |
| Operating Expenses: | | | |
| Purchased Power and Transmission | 177,172 | 172,876 | 147,059 |
| Operations and Maintenance | 86,360 | 89,406 | 96,194 |
| Depreciation | 43,362 | 41,886 | 37,568 |
| Amortization of Regulatory Assets/(Liabilities), Net | 14,545 | (6,228) | (3,206) |
| Amortization of Rate Reduction Bonds | - | - | 7,780 |
| Energy Efficiency Programs | 42,867 | 42,937 | 39,524 |
| Taxes Other Than Income Taxes | 38,302 | 34,907 | 28,458 |
| Total Operating Expenses | 402,608 | 375,784 | 353,377 |
| Operating Income | 115,520 | 117,639 | 119,347 |
| Interest Expense | 24,792 | 24,931 | 24,851 |
| Other Income, Net | 2,748 | 2,379 | 3,310 |
| Income Before Income Tax Expense | 93,476 | 95,087 | 97,806 |
| Income Tax Expense | 36,970 | 37,268 | 37,368 |
| Net Income | \$ 56,506 | \$ 57,819 | \$ 60,438 |

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

STATEMENTS OF COMPREHENSIVE INCOME

| | | | |
|---------------------------------------------------------------|-----------|-----------|-----------|
| Net Income | \$ 56,506 | \$ 57,819 | \$ 60,438 |
| Other Comprehensive Income, Net of Tax: | | | |
| Qualified Cash Flow Hedging Instruments | 379 | 338 | 338 |
| Changes in Unrealized (Losses)/Gains on Marketable Securities | (25) | 3 | (9) |
| Other Comprehensive Income, Net of Tax | 354 | 341 | 329 |
| Comprehensive Income | \$ 56,860 | \$ 58,160 | \$ 60,767 |

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

WESTERN MASSACHUSETTS ELECTRIC COMPANY
STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

| (Thousands of Dollars, Except Stock Information) | Common Stock | | Capital Surplus, | Retained | Accumulated Other Comprehensive | Total Common Stockholder's |
|--------------------------------------------------|--------------|-----------|------------------|------------|---------------------------------|----------------------------|
| | Stock | Amount | Paid In | Earnings | Income/(Loss) | Equity |
| Balance as of January 1, 2013 | 434,653 | \$ 10,866 | \$ 390,412 | \$ 160,577 | \$ (3,846) | \$ 558,009 |
| Net Income | | | | 60,438 | | 60,438 |
| Dividends on Common Stock | | | | (40,001) | | (40,001) |
| Allocation of Benefits - ESOP | | | 331 | | | 331 |
| Other Comprehensive Income | | | | | 329 | 329 |
| Balance as of December 31, 2013 | 434,653 | 10,866 | 390,743 | 181,014 | (3,517) | 579,106 |
| Net Income | | | | 57,819 | | 57,819 |
| Dividends on Common Stock | | | | (59,999) | | (59,999) |
| Allocation of Benefits - ESOP | | | 513 | | | 513 |
| Other Comprehensive Income | | | | | 341 | 341 |
| Balance as of December 31, 2014 | 434,653 | 10,866 | 391,256 | 178,834 | (3,176) | 577,780 |
| Net Income | | | | 56,506 | | 56,506 |
| Dividends on Common Stock | | | | (37,200) | | (37,200) |
| Allocation of Benefits - ESOP | | | 142 | | | 142 |
| Other Comprehensive Income | | | | | 354 | 354 |
| Balance as of December 31, 2015 | 434,653 | \$ 10,866 | \$ 391,398 | \$ 198,140 | \$ (2,822) | \$ 597,582 |

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

WESTERN MASSACHUSETTS ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS

| (Thousands of Dollars) | For the Years Ended December 31, | | |
|-----------------------------------------------------------|----------------------------------|-----------|-----------|
| | 2015 | 2014 | 2013 |
| Operating Activities: | | | |
| Net Income | \$ 56,506 | \$ 57,819 | \$ 60,438 |
| Adjustments to Reconcile Net Income to Net Cash Flows | | | |
| Provided by Operating Activities: | | | |
| Depreciation | 43,362 | 41,886 | 37,568 |
| Deferred Income Taxes | 39,428 | 34,108 | 87,028 |
| Regulatory (Under)/Over Recoveries, Net | (17,501) | 1,925 | 8,458 |
| Amortization of Regulatory Assets/(Liabilities), Net | 14,545 | (6,228) | (3,206) |
| Amortization of Rate Reduction Bonds | - | - | 7,780 |
| (Payments)/Refunds Related to Spent Nuclear Fuel, Net | (56,784) | 18,883 | - |
| Other | (6,421) | (2,005) | 3,381 |
| Changes in Current Assets and Liabilities: | | | |
| Receivables and Unbilled Revenues, Net | (17,822) | 39,872 | (53,292) |
| Taxes Receivable/Accrued, Net | (15,281) | (22,454) | 19,840 |
| Accounts Payable | (2,602) | 1,269 | 7,456 |
| Other Current Assets and Liabilities, Net | 5,594 | (11,796) | 3,356 |
| Net Cash Flows Provided by Operating Activities | 43,024 | 153,279 | 178,807 |
| Investing Activities: | | | |
| Investments in Property, Plant and Equipment | (134,551) | (116,205) | (128,786) |
| Proceeds from Sales of Marketable Securities | 186,444 | 73,198 | 70,778 |
| Purchases of Marketable Securities | (128,861) | (73,888) | (71,390) |
| Other Investing Activities | - | 3,200 | 7,401 |
| Net Cash Flows Used in Investing Activities | (76,968) | (113,695) | (121,997) |
| Financing Activities: | | | |
| Cash Dividends on Common Stock | (37,200) | (59,999) | (40,001) |
| Issuance of Long-Term Debt | - | - | 80,000 |
| Retirements of Long-Term Debt | (50,000) | - | (55,000) |
| Increase/(Decrease) in Notes Payable to Eversource Parent | 122,000 | 21,400 | (31,900) |
| Retirements of Rate Reduction Bonds | - | - | (9,352) |
| Other Financing Activities | (22) | (985) | (558) |
| Net Cash Flows Provided by/(Used in) Financing Activities | 34,778 | (39,584) | (56,811) |
| Net Increase/(Decrease) in Cash | 834 | - | (1) |
| Cash - Beginning of Year | - | - | 1 |
| Cash - End of Year | \$ 834 | \$ - | \$ - |

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

**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**

COMBINED NOTES TO FINANCIAL STATEMENTS

Refer to the Glossary of Terms included in this combined Annual Report on Form 10-K for abbreviations and acronyms used throughout the combined notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. About Eversource, CL&P, NSTAR Electric, PSNH and WMECO

Eversource Energy: Eversource Energy is a public utility holding company primarily engaged, through its wholly owned regulated utility subsidiaries, in the energy delivery business. Eversource Energy's wholly owned regulated utility subsidiaries consist of CL&P, NSTAR Electric, PSNH, WMECO, Yankee Gas and NSTAR Gas. Eversource provides energy delivery service to approximately 3.6 million electric and natural gas customers through these six regulated utilities in Connecticut, Massachusetts and New Hampshire.

On April 30, 2015, the Company's legal name was changed from Northeast Utilities to Eversource Energy. CL&P, NSTAR Electric, PSNH and WMECO are each doing business as Eversource Energy.

Eversource, CL&P, NSTAR Electric, PSNH and WMECO are reporting companies under the Securities Exchange Act of 1934. Eversource Energy is a public utility holding company under the Public Utility Holding Company Act of 2005. Arrangements among the regulated electric companies and other Eversource companies, outside agencies and other utilities covering interconnections, interchange of electric power and sales of utility property are subject to regulation by the FERC. The Regulated companies are subject to regulation of rates, accounting and other matters by the FERC and/or applicable state regulatory commissions (the PURA for CL&P and Yankee Gas, the DPU for NSTAR Electric, WMECO and NSTAR Gas, and the NHPUC for PSNH).

Regulated Companies: CL&P, NSTAR Electric, PSNH and WMECO furnish franchised retail electric service in Connecticut, Massachusetts and New Hampshire. Yankee Gas and NSTAR Gas are engaged in the distribution and sale of natural gas to customers within Connecticut and Massachusetts, respectively. CL&P, NSTAR Electric, PSNH and WMECO's results include the operations of their respective distribution and transmission businesses. PSNH and WMECO's distribution results include the operations of their respective generation businesses. Eversource also has a regulated subsidiary, NPT, which was formed to construct, own and operate the Northern Pass line, a HVDC transmission line from Québec to New Hampshire under development that will interconnect with a new HVDC transmission line being developed by a transmission subsidiary of HQ.

Other: Eversource Service, Eversource's service company, Rocky River Realty Company, a wholly-owned real estate subsidiary of Eversource, Renewable Properties, Inc., an indirect, wholly-owned subsidiary of Eversource, and Properties, Inc., a wholly-owned subsidiary of PSNH, provide support services to Eversource, including its Regulated companies. Eversource Gas Transmission LLC, an indirect, wholly-owned subsidiary of Eversource, holds an equity interest in the Access Northeast project.

B. Basis of Presentation

The consolidated financial statements of Eversource, NSTAR Electric and PSNH include the accounts of each of their respective subsidiaries.

Intercompany transactions have been eliminated in consolidation. The accompanying consolidated financial statements of Eversource, NSTAR Electric and PSNH and the financial statements of CL&P and WMECO are herein collectively referred to as the "financial statements."

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Eversource consolidates CYAPC and YAEC because CL&P's, NSTAR Electric's, PSNH's and WMECO's combined ownership interest in each of these entities is greater than 50 percent. Intercompany transactions between CL&P, NSTAR Electric, PSNH and WMECO and the CYAPC and YAEC companies have been eliminated in consolidation of the Eversource financial statements.

Eversource's utility subsidiaries' distribution (including generation) and transmission businesses are subject to rate-regulation that is based on cost recovery and meets the criteria for application of accounting guidance for entities with rate-regulated operations, which considers the effect of regulation on the differences in the timing of the recognition of certain revenues and expenses from those of other businesses and industries. See Note 2, "Regulatory Accounting," for further information.

Certain reclassifications of prior year data were made in the accompanying financial statements to conform to the current year presentation and as a result of the adoption of new accounting guidance. See Note 1C, "Summary of Significant Accounting Policies – Accounting Standards," for further information.

In accordance with accounting guidance on noncontrolling interests in consolidated financial statements, the Preferred Stock of CL&P and the Preferred Stock of NSTAR Electric, which are not owned by Eversource or its consolidated subsidiaries and are not subject to mandatory redemption, have been presented as noncontrolling interests in the financial statements of Eversource. The Preferred Stock of CL&P and the

Preferred Stock of NSTAR Electric are considered to be temporary equity and have been classified between liabilities and permanent shareholders' equity on the balance sheets of Eversource, CL&P and NSTAR Electric due to a provision in the preferred stock agreements of both CL&P and NSTAR Electric that grant preferred stockholders the right to elect a majority of the CL&P and NSTAR Electric Boards of Directors, respectively, should certain conditions exist, such as if preferred dividends are in arrears for a specified amount of time. The Net Income reported in the statements of income and cash flows represents net income prior to apportionment to noncontrolling interests, which is represented by dividends on preferred stock of CL&P and NSTAR Electric.

As of December 31, 2015 and 2014, Eversource's carrying amount of goodwill was approximately \$3.5 billion. Eversource performs an assessment for possible impairment of its goodwill at least annually. Eversource completed its annual goodwill impairment test for each of its reporting units as of October 1, 2015 and determined that no impairment exists. See Note 21, "Goodwill," for further information.

C. Accounting Standards

Accounting Standards Issued but not Yet Effective: In May 2014, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which amends existing revenue recognition guidance and is required to be applied retrospectively (either to each reporting period presented or cumulatively at the date of initial application). In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 to the first quarter of 2018, with 2017 application permitted. The Company is reviewing the requirements of ASU 2014-09 and will implement the standard in the first quarter of 2018. The ASU is not expected to have a material impact on the financial statements of Eversource, CL&P, NSTAR Electric, PSNH or WMECO.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Liabilities*, which is required to be implemented in the first quarter of 2018. The Company is reviewing the requirements of the ASU. The ASU will remove the available-for-sale designation for equity securities, whereby changes in fair value are recorded in other comprehensive income in shareholders' equity, and will require changes in fair value of all equity securities to be recorded in earnings beginning on January 1, 2018, with the unrealized gain or loss on available-for-sale equity securities as of that date reclassified to retained earnings as a cumulative effect of adoption. The fair value of available-for-sale equity securities subject to this guidance as of December 31, 2015 was approximately \$52 million. The remaining available-for-sale equity securities included in marketable securities on the balance sheet are held in nuclear decommissioning trusts and are subject to regulatory accounting treatment and will not be impacted by this guidance. Implementation of the ASU for other financial instruments is not expected to have a material impact on the financial statements of Eversource, CL&P, NSTAR Electric, PSNH or WMECO.

On February 25, 2016, the FASB issued ASU 2016-02, *Leases*, which changes existing lease accounting guidance and is required to be applied in the first quarter of 2019, with earlier application permitted. The ASU is required to be implemented for leases beginning on the date of initial application. For prior periods presented, leases are required to be recognized and measured using a modified retrospective approach. The Company is reviewing the requirements of ASU 2016-02.

Recently Adopted Accounting Standards: In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, that changed the balance sheet presentation of debt issuance costs. Under the ASU, issuance costs related to debt are presented on the balance sheet as a direct deduction from the carrying amount of the debt liability rather than as a deferred cost. The new accounting guidance is effective for interim and annual periods beginning in the first quarter of 2016 with early adoption permitted and is required to be applied retrospectively. On December 31, 2015, the Company adopted the new accounting guidance and applied it retrospectively to all prior periods presented in the financial statements. The adoption of this ASU did not have a material effect on the balance sheets and had no impact on the results of operations or cash flows of Eversource, CL&P, NSTAR Electric, PSNH or WMECO. See Note 8, "Long-Term Debt," for the prior year amounts that have been retrospectively adjusted.

On November 20, 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, that required all deferred tax liabilities and assets, along with any related valuation allowance, be classified as noncurrent on the balance sheet. This new accounting guidance is effective for interim and annual periods beginning in the first quarter of 2017 with early adoption permitted and may be applied either prospectively or retrospectively.

On December 31, 2015, the Company adopted the new accounting guidance and applied it prospectively. The adoption of this ASU did not have a material effect on the balance sheets and had no impact on the results of operations or cash flows of Eversource, CL&P, NSTAR Electric, PSNH or WMECO. The current portion of Accumulated Deferred Income Taxes as of December 31, 2014, which was included in Total Current Liabilities on the balance sheets, was \$160.3 million for Eversource, \$34.1 million for CL&P, \$55.1 million for NSTAR Electric, \$36.2 million for PSNH, and \$18.1 million for WMECO.

D. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term cash investments that are highly liquid in nature and have original maturities of three months or less. At the end of each reporting period, any overdraft amounts are reclassified from Cash and Cash Equivalents to Accounts Payable on the balance sheets.

E. Provision for Uncollectible Accounts

Eversource, including CL&P, NSTAR Electric, PSNH and WMECO, presents its receivables at estimated net realizable value by maintaining a provision for uncollectible accounts. This provision is determined based upon a variety of judgments and factors, including the application of an estimated uncollectible percentage to each receivable aging category. The estimate is based upon historical collection and write-off experience and management's assessment of collectability from customers. Management continuously assesses the collectability of receivables and adjusts collectability estimates based on actual experience. Receivable balances are written off against the provision for uncollectible accounts when the customer accounts are terminated and these balances are deemed to be uncollectible.

The PURA allows CL&P and Yankee Gas to accelerate the recovery of accounts receivable balances attributable to qualified customers under financial or medical duress (uncollectible hardship accounts receivable) outstanding for greater than 180 days and 90 days, respectively. The DPU allows WMECO and NSTAR Gas to also recover in rates amounts associated with certain uncollectible hardship accounts receivable. Certain of NSTAR Electric's uncollectible hardship accounts receivable are expected to be recovered in future rates, similar to WMECO and NSTAR Gas. Uncollectible customer account balances, which are expected to be recovered in rates, are included in Regulatory Assets or Other Long-Term Assets on the balance sheets.

The total provision for uncollectible accounts and for uncollectible hardship accounts, which is included in the total provision, are included in Receivables, Net on the balance sheets, and were as follows:

| (Millions of Dollars) | Total Provision for Uncollectible Accounts | | Uncollectible Hardship | |
|-----------------------|--------------------------------------------|----------|------------------------|---------|
| | As of December 31, | | As of December 31, | |
| | 2015 | 2014 | 2015 | 2014 |
| Eversource | \$ 190.7 | \$ 175.3 | \$ 118.5 | \$ 91.5 |
| CL&P | 79.5 | 84.3 | 68.1 | 74.0 |
| NSTAR Electric | 52.6 | 40.7 | 25.3 | - |
| PSNH | 8.7 | 7.7 | - | - |
| WMECO | 14.0 | 9.9 | 7.4 | 6.2 |

F. Fuel, Materials and Supplies and Allowance Inventory

Fuel, Materials and Supplies include natural gas, coal, biomass and oil inventories as well as materials purchased primarily for construction or operation and maintenance purposes. Natural gas, coal, biomass and oil inventories are valued at their respective weighted average cost. Materials and supplies are valued at the lower of average cost or market.

Fuel, Materials and Supplies also include Renewable Energy Certificates (RECs), which are purchased from suppliers of renewable sources of generation. RECs are used to meet state mandated Renewable Portfolio Standards requirements.

PSNH is subject to federal and state laws and regulations that regulate emissions of air pollutants, including SO₂, CO₂, and NO_x related to its regulated generation units, and uses SO₂, CO₂, and NO_x emissions allowances. At the end of each compliance period, PSNH is required to relinquish SO₂, CO₂, and NO_x emissions allowances corresponding to the actual respective emissions emitted by its generating units over the compliance period. SO₂ and NO_x emissions allowances are obtained through an annual allocation from the federal and state regulators that are granted at no cost and through purchases from third parties. CO₂ emissions allowances are obtained through an annual allocation from the state regulator that are granted at no cost and are acquired through auctions and through purchases from third parties. SO₂, CO₂, and NO_x emissions allowances are charged to expense based on their weighted average cost as they are utilized against emissions volumes at PSNH's generating units. SO₂, CO₂, and NO_x emissions allowances are recorded within Fuel, Materials and Supplies on the balance sheet and are classified as short-term or long-term depending on the period in which they are expected to be utilized against actual emissions. Current SO₂ and CO₂ emissions allowances were classified as Fuel, Materials and Supplies on the balance sheets and long-term SO₂ and CO₂ emissions allowances were classified as Other Long-Term Assets on the balance sheets.

The carrying amount of fuel, materials and supplies, RECs, and emission allowances were as follows:

| (Millions of Dollars) | As of December 31, | | | | | |
|------------------------|--------------------|----------------|----------|------------|----------------|---------|
| | 2015 | | | 2014 | | |
| | Eversource | NSTAR Electric | PSNH | Eversource | NSTAR Electric | PSNH |
| Current: | | | | | | |
| Fuel | \$ 152.5 | \$ - | \$ 103.4 | \$ 164.3 | \$ - | \$ 95.1 |
| Materials and Supplies | 131.2 | 32.2 | 44.6 | 159.5 | 49.1 | 52.2 |
| RECs | 50.9 | 43.3 | 7.0 | 25.8 | 25.1 | 0.7 |
| Emission Allowances | 1.9 | - | 1.9 | 0.1 | - | 0.1 |
| Long-Term: | | | | | | |
| Emission Allowances | 17.5 | - | 17.5 | 20.1 | - | 20.1 |

G. Deposits

As of December 31, 2015, Eversource, CL&P, NSTAR Electric and PSNH had \$17.1 million, \$0.7 million, \$8.5 million and \$1.5 million, respectively, of cash collateral posted not subject to master netting agreements, with ISO-NE related to energy purchase transactions, which was included in Prepayments and Other Current Assets on the balance sheets. As of December 31, 2014, these amounts were \$9.9 million, \$1.2 million and \$2.5 million for Eversource, CL&P and PSNH, respectively.

H. Fair Value Measurements

Fair value measurement guidance is applied to derivative contracts that are not elected or designated as "normal purchases or normal sales" (normal) and to the marketable securities held in trusts. Fair value measurement guidance is also applied to valuations of the investments used to calculate the funded status of pension and PBOP plans, the nonrecurring fair value measurements of nonfinancial assets such as goodwill and AROs, and the estimated fair value of preferred stock and long-term debt.

Fair Value Hierarchy: In measuring fair value, Eversource uses observable market data when available in order to minimize the use of unobservable inputs. Inputs used in fair value measurements are categorized into three fair value hierarchy levels for disclosure purposes. The entire fair value measurement is categorized based on the lowest level of input that is significant to the fair value measurement. Eversource evaluates the

classification of assets and liabilities measured at fair value on a quarterly basis, and Eversource's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. The three levels of the fair value hierarchy are described below:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

Level 3 - Quoted market prices are not available. Fair value is derived from valuation techniques in which one or more significant inputs or assumptions are unobservable. Where possible, valuation techniques incorporate observable market inputs that can be validated to external sources such as industry exchanges, including prices of energy and energy-related products.

Determination of Fair Value: The valuation techniques and inputs used in Eversource's fair value measurements are described in Note 4, "Derivative Instruments," Note 5, "Marketable Securities," Note 6, "Asset Retirement Obligations," Note 9A, "Employee Benefits – Pension Benefits and Postretirement Benefits Other Than Pensions," and Note 13, "Fair Value of Financial Instruments" to the financial statements.

I. Derivative Accounting

Many of the Regulated companies' contracts for the purchase and sale of energy or energy-related products are derivatives. The accounting treatment for energy contracts entered into varies and depends on the intended use of the particular contract and on whether or not the contract is a derivative. For the Regulated companies, regulatory assets or regulatory liabilities are recorded to offset the fair values of derivative contracts, as contract settlements are recovered from, or refunded to, customers in future rates.

The application of derivative accounting is complex and requires management judgment in the following respects: identification of derivatives and embedded derivatives, election and designation of a contract as normal, and determination of the fair value of derivative contracts. All of these judgments can have a significant impact on the financial statements.

The judgment applied in the election of a contract as normal (and resulting accrual accounting) includes the conclusion that it is probable at the inception of the contract and throughout its term that it will result in physical delivery of the underlying product and that the quantities will be used or sold by the business in the normal course of business. If facts and circumstances change and management can no longer support this conclusion, then a contract cannot be considered normal and accrual accounting is terminated, and fair value accounting is applied prospectively.

The fair value of derivative contracts is based upon the contract terms and conditions and the underlying market price or fair value per unit. When quantities are not specified in the contract, the Company determines whether the contract has a determinable quantity by using amounts referenced in default provisions and other relevant sections of the contract. The fair value of derivative assets and liabilities with the same counterparty are offset and recorded as a net derivative asset or liability on the balance sheets.

All changes in the fair value of derivative contracts are recorded as regulatory assets or liabilities and do not impact net income.

For further information regarding derivative contracts, see Note 4, "Derivative Instruments," to the financial statements.

J. Equity Method Investments

Equity investments are included in Other Long-Term Assets on the balance sheets and net earnings related to these equity investments are included in Other Income, Net on the statements of income.

Regional Decommissioned Nuclear Companies: CL&P, NSTAR Electric, PSNH and WMECO own common stock in three regional nuclear generation companies (CYAPC, YAEC and MYAPC, collectively referred to as the Yankee Companies), each of which owned a single nuclear generating facility that has been decommissioned. For CL&P, NSTAR Electric, PSNH and WMECO, the respective investments in CYAPC, YAEC and MYAPC are accounted for under the equity method. Eversource consolidates CYAPC and YAEC because CL&P's, NSTAR Electric's, PSNH's and WMECO's combined ownership interest in each of these entities is greater than 50 percent. Intercompany transactions between CL&P, NSTAR Electric, PSNH and WMECO and the CYAPC and YAEC companies have been eliminated in consolidation of the Eversource financial statements.

CL&P's, NSTAR Electric's, PSNH's and WMECO's ownership interests in the Yankee Companies and the total carrying values, which were included in Other Long-Term Assets on their respective balance sheets, were as follows:

| | Ownership Interests (percent) | | | Carrying Amount (in millions) | |
|----------------|----------------------------------|--------|--------|-------------------------------|--------|
| | As of December 31, 2015 and 2014 | | | As of December 31, | |
| | CYAPC | YAEC | MYAPC | 2015 | 2014 |
| CL&P | 34.5 % | 24.5 % | 12.0 % | \$ 1.2 | \$ 1.2 |
| NSTAR Electric | 14.0 | 14.0 | 4.0 | 0.5 | 0.5 |
| PSNH | 5.0 | 7.0 | 5.0 | 0.3 | 0.3 |
| WMECO | 9.5 | 7.0 | 3.0 | 0.3 | 0.3 |

For further information on the Yankee Companies, see Note 11C, "Commitments and Contingencies - Contractual Obligations - Yankee Companies," to the financial statements.

Infrastructure and Other Investments: As of December 31, 2015 and 2014, Eversource had an equity ownership interest in an energy investment fund of \$30.3 million and \$17.8 million, respectively. Eversource had a 40 percent equity ownership interest in the Algonquin Gas Transmission, LLC (legal entity that owns Access Northeast assets) of \$10.7 million as of December 31, 2015.

K. Revenues

Regulated Companies' Retail Revenues: The Regulated companies' retail revenues are based on rates approved by their respective state regulatory commissions. In general, rates can only be changed through formal proceedings with the state regulatory commissions. The Regulated companies' rates are designed to recover the costs to provide service to their customers, and include a return on investment. The Regulated companies also utilize regulatory commission-approved tracking mechanisms to recover certain costs on a fully-reconciling basis. These tracking mechanisms require rates to be changed periodically to ensure recovery of actual costs incurred.

CL&P (effective December 1, 2014), WMECO, and NSTAR Gas (effective January 1, 2016), each have a regulatory commission approved revenue decoupling mechanism. Distribution revenues are decoupled from customer sales volumes, which breaks the relationship between sales volumes and revenues recognized. CL&P and WMECO reconcile their annual base distribution rate recovery to pre-established levels of baseline distribution delivery service revenues. Any difference between the allowed level of distribution revenue and the actual amount incurred during a 12-month period is adjusted through rates in the following period.

A significant portion of the Regulated companies' retail revenues relate to the recovery of costs incurred for the sale of electricity and natural gas purchased on behalf of customers. These energy supply costs are recovered from customers in rates through cost tracking mechanisms. Energy purchases are recorded in Purchased Power, Fuel and Transmission, and the sales of energy associated with these purchases are recorded in Operating Revenues.

Regulated Companies' Unbilled Revenues: Because customers are billed throughout the month based on pre-determined cycles rather than on a calendar month basis, an estimate of electricity or natural gas delivered to customers for which the customers have not yet been billed is calculated as of the balance sheet date. Unbilled revenues are included in Operating Revenues on the statements of income and in Current Assets on the balance sheets. Actual amounts billed to customers when meter readings become available may vary from the estimated amount.

The Regulated companies estimate unbilled sales monthly using the daily load cycle method. The daily load cycle method allocates billed sales to the current calendar month based on the daily load for each billing cycle. The billed sales are subtracted from total month load, net of delivery losses, to estimate unbilled sales. Unbilled revenues are estimated by first allocating unbilled sales to the respective customer classes, then applying an estimated rate by customer class to those sales. The estimate of unbilled revenues can significantly impact the amount of revenues recorded at NSTAR Electric and PSNH because they do not have a revenue decoupling mechanism. CL&P and WMECO record a regulatory deferral to reflect the actual allowed amount of revenue for decoupling.

Regulated Companies' Transmission Revenues - Wholesale Rates: Wholesale transmission revenues are recovered through FERC approved formula rates. Wholesale transmission revenues for CL&P, NSTAR Electric, PSNH, and WMECO are collected through a combination of regional and local rates, both of which are under the ISO New England Transmission, Markets and Services Tariff (ISO-NE Tariff). The ISO-NE Tariff includes Regional Network Service (RNS), Schedule 21 – ES rate schedules, which recover the costs of transmission and other transmission-related services for CL&P, PSNH and WMECO, and Schedule 21 – NSTAR rate schedules, which recover costs of transmission and other transmission-related services for NSTAR Electric. The RNS rate, administered by ISO-NE and billed to all New England transmission load, including CL&P, NSTAR Electric, PSNH and WMECO's distribution businesses, is reset on June 1st of each year and recovers the revenue requirements associated with Pool Transmission Facilities (PTF) that benefit the entire New England region. The Schedule 21 – ES rate and Schedule 21 – NSTAR rate are administered by Eversource and recover any PTF costs not recovered under RNS rates, as well as the cost of transmission facilities associated with the respective utility's local system. The Schedule 21 – ES rate is reset on January 1st and June 1st of each year, while the Schedule 21 – NSTAR rate is reset on June 1st of each year. The Schedule 21 – ES rate and Schedule 21 – NSTAR rate calculations recover total transmission revenue requirements net of revenues received from other sources (i.e., RNS, rentals, etc.), thereby ensuring that Eversource recovers all of CL&P's, NSTAR Electric's, PSNH's and WMECO's regional and local transmission revenue requirements in accordance with the ISO-NE Tariff. The RNS, Schedule 21 – ES rate and Schedule 21 – NSTAR rate provide for the annual reconciliation and recovery or refund of estimated costs to actual costs. The financial impacts of differences between actual and estimated costs are deferred for future recovery from, or refunded to, transmission customers. See Note 11E, "Commitments and Contingencies – FERC ROE Complaints," for complaints filed at the FERC relating to Eversource's ROE.

Regulated Companies' Transmission Revenues - Retail Rates: A significant portion of the Eversource transmission segment revenue comes from ISO-NE charges to the distribution businesses of CL&P, NSTAR Electric, PSNH and WMECO, each of which recovers these costs through rates charged to their retail customers. CL&P, NSTAR Electric, PSNH and WMECO each have a retail transmission cost tracking mechanism as part of their rates, which allows the electric distribution companies to charge their retail customers for transmission costs on a timely basis.

L. Operating Expenses

Costs related to fuel and natural gas included in Purchased Power, Fuel and Transmission on the statements of income were as follows:

| | For the Years Ended December 31, | | |
|-----------------------------------|----------------------------------|----------|----------|
| | 2015 | 2014 | 2013 |
| (Millions of Dollars) | | | |
| Eversource - Natural Gas and Fuel | \$ 516.7 | \$ 599.4 | \$ 466.5 |
| PSNH - Fuel | 85.4 | 113.4 | 104.8 |

M Allowance for Funds Used During Construction

AFUDC represents the cost of borrowed and equity funds used to finance construction and is included in the cost of the Regulated companies' utility plant on the balance sheet. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of Other Interest Expense, and the AFUDC related to equity funds is recorded as Other Income, Net on the statements of income. AFUDC costs are recovered from customers over the service life of the related plant in the form of increased revenue collected as a result of higher depreciation expense.

The Regulated companies' average AFUDC rate is based on a FERC-prescribed formula using the cost of a company's short-term financings and capitalization (preferred stock, long-term debt and common equity), as appropriate. The average rate is applied to average eligible CWIP amounts to calculate AFUDC.

AFUDC costs and the weighted-average AFUDC rates were as follows:

| Eversource (Millions of Dollars, except percentages) | For the Years Ended December 31, | | |
|---------------------------------------------------------|----------------------------------|---------|---------|
| | 2015 | 2014 | 2013 |
| Borrowed Funds | \$ 7.2 | \$ 5.8 | \$ 4.1 |
| Equity Funds | 18.8 | 13.7 | 7.1 |
| Total AFUDC | \$ 26.0 | \$ 19.5 | \$ 11.2 |
| Average AFUDC Rate | 3.9% | 3.4% | 2.7% |

| (Millions of Dollars, except percentages) | For the Years Ended December 31, | | | | For the Years Ended December 31, | | | | For the Years Ended December 31, | | | |
|-------------------------------------------|----------------------------------|----------------|--------|--------|----------------------------------|----------------|--------|--------|----------------------------------|----------------|--------|--------|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Borrowed Funds | \$ 2.6 | \$ 2.0 | \$ 1.0 | \$ 1.0 | \$ 1.9 | \$ 2.0 | \$ 0.6 | \$ 0.9 | \$ 2.2 | \$ 0.5 | \$ 0.5 | \$ 0.5 |
| Equity Funds | 5.2 | 4.3 | 1.2 | 1.7 | 2.9 | 3.8 | 0.6 | 1.7 | 2.9 | - | 0.2 | 1.0 |
| Total AFUDC | \$ 7.8 | \$ 6.3 | \$ 2.2 | \$ 2.7 | \$ 4.8 | \$ 5.8 | \$ 1.2 | \$ 2.6 | \$ 5.1 | \$ 0.5 | \$ 0.7 | \$ 1.5 |
| Average AFUDC Rate | 5.5% | 3.2% | 1.8% | 4.4% | 3.4% | 2.5% | 1.8% | 5.6% | 3.7% | 0.5% | 1.1% | 6.1% |

N. Other Income, Net

Items included within Other Income, Net on the statements of income primarily consist of investment income/(loss), interest income, AFUDC related to equity funds, and equity in earnings of equity method investees. Investment income/(loss) primarily relates to debt and equity securities held in trust.

For further information, see Note 5, "Marketable Securities," to the financial statements. For further information on AFUDC related to equity funds, see Note 1M, "Summary of Significant Accounting Policies – Allowance for Funds Used During Construction," to the financial statements.

O. Other Taxes

Gross receipts taxes levied by the state of Connecticut are collected by CL&P and Yankee Gas from their respective customers. These gross receipts taxes are shown separately with collections in Operating Revenues and with payments in Taxes Other Than Income Taxes on the statements of income as follows:

| (Millions of Dollars) | For the Years Ended December 31, | | |
|-----------------------|----------------------------------|----------|----------|
| | 2015 | 2014 | 2013 |
| Eversource | \$ 147.2 | \$ 148.2 | \$ 144.1 |
| CL&P | 128.5 | 127.9 | 128.2 |

As agents for state and local governments, Eversource's companies that serve customers in Connecticut and Massachusetts collect certain sales taxes that are recorded on a net basis with no impact on the statements of income.

P. Supplemental Cash Flow Information

| Eversource (Millions of Dollars) | As of and For the Years Ended December 31, | | |
|------------------------------------------------------|--------------------------------------------|----------|----------|
| | 2015 | 2014 | 2013 |
| Cash Paid During the Year for: | | | |
| Interest, Net of Amounts Capitalized | \$ 365.9 | \$ 349.6 | \$ 343.3 |
| Income Taxes | 10.3 | 334.2 | 50.0 |
| Non-Cash Investing Activities: | | | |
| Plant Additions Included in Accounts Payable (As of) | 216.6 | 181.9 | 193.1 |

| (Millions of Dollars) | For the Years Ended December 31, | | | | For the Years Ended December 31, | | | | For the Years Ended December 31, | | | |
|------------------------------------------------------|----------------------------------|----------------|---------|---------|----------------------------------|----------------|---------|---------|----------------------------------|----------------|---------|---------|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Cash Paid/(Received) During the Year for: | | | | | | | | | | | | |
| Interest, Net of Amounts Capitalized | \$ 144.4 | \$ 75.7 | \$ 42.3 | \$ 26.7 | \$ 144.1 | \$ 75.3 | \$ 41.1 | \$ 25.9 | \$ 131.6 | \$ 75.8 | \$ 43.3 | \$ 25.8 |
| Income Taxes | 55.2 | (19.8) | 14.4 | 14.7 | 135.4 | 217.1 | 2.3 | 25.1 | 55.0 | 163.4 | (30.1) | (69.0) |
| Non-Cash Investing Activities: | | | | | | | | | | | | |
| Plant Additions Included in Accounts Payable (As of) | 76.0 | 23.5 | 46.5 | 27.0 | 63.5 | 34.6 | 39.3 | 14.2 | 51.4 | 57.0 | 34.9 | 19.5 |

The 2015 cash paid for interest excludes interest payments made by CL&P and WMECO in connection with the full satisfaction of their respective obligations to the DOE for the disposal of spent nuclear fuel and high-level radioactive waste. For further information, see Note 8, "Long-Term Debt," to the financial statements.

In 2014, as a result of damages awarded to the Yankee Companies for spent nuclear fuel lawsuits against the DOE described in Note 11C, "Commitments and Contingencies - Contractual Obligations - Yankee Companies," Eversource received total proceeds of \$132.1 million, which were net of \$80.6 million in proceeds CYAPC and YAEC returned to non-affiliated member companies.

Q. Related Parties

Eversource Service, Eversource's service company, provides centralized accounting, administrative, engineering, financial, information technology, legal, operational, planning, purchasing, and other services to Eversource's companies. The Rocky River Realty Company, Renewable Properties, Inc. and Properties, Inc., three other Eversource subsidiaries, construct, acquire or lease some of the property and facilities used by Eversource's companies.

As of both December 31, 2015 and 2014, CL&P, PSNH and WMECO had long-term receivables from Eversource Service in the amounts of \$25 million, \$3.8 million and \$5.5 million, respectively, which were included in Other Long-Term Assets on the balance sheets. These amounts related to the funding of investments held in trust by Eversource Service in connection with certain postretirement benefits for CL&P, PSNH and WMECO employees and have been eliminated in consolidation on the Eversource financial statements.

Included in the CL&P, NSTAR Electric, PSNH and WMECO balance sheets as of December 31, 2015 and 2014 were Accounts Receivable from Affiliated Companies and Accounts Payable to Affiliated Companies relating to transactions between CL&P, NSTAR Electric, PSNH and WMECO and other subsidiaries that are wholly-owned by Eversource. These amounts have been eliminated in consolidation on the Eversource financial statements.

R. Severance Benefits

For the years ended December 31, 2015, 2014 and 2013, Eversource recorded severance benefit expense of \$4.7 million, \$15 million and \$9.7 million, respectively, in connection with organizational and cost saving initiatives, and, in 2014, the partial outsourcing of information technology functions. As of December 31, 2015 and 2014, the severance accrual totaled \$9.3 million and \$10.4 million, respectively, and was included in Other Current Liabilities on the balance sheets.

2. REGULATORY ACCOUNTING

Eversource's Regulated companies are subject to rate-regulation that is based on cost recovery and meets the criteria for application of accounting guidance for rate-regulated operations, which considers the effect of regulation on the timing of the recognition of certain revenues and expenses. The Regulated companies' financial statements reflect the effects of the rate-making process. The rates charged to the customers of Eversource's Regulated companies are designed to collect each company's costs to provide service, including a return on investment.

Management believes it is probable that each of the Regulated companies will recover their respective investments in long-lived assets, including regulatory assets. If management were to determine that it could no longer apply the accounting guidance applicable to rate-regulated enterprises to any of the Regulated companies' operations, or if management could not conclude it is probable that costs would be recovered from customers in future rates, the costs would be charged to net income in the period in which the determination is made.

Regulatory Assets: The components of regulatory assets were as follows:

| Eversource (Millions of Dollars) | As of December 31, | | | |
|--------------------------------------------|---------------------------|----------------|-------------|----------------|
| | 2015 | | 2014 | |
| Benefit Costs | \$ | 1,828.2 | \$ | 2,016.0 |
| Derivative Liabilities | | 388.0 | | 425.5 |
| Income Taxes, Net | | 650.9 | | 635.3 |
| Storm Restoration Costs | | 436.9 | | 502.8 |
| Goodwill-related | | 484.9 | | 505.4 |
| Regulatory Tracker Mechanisms | | 526.5 | | 350.5 |
| Contractual Obligations - Yankee Companies | | 134.4 | | 123.8 |
| Other Regulatory Assets | | 134.0 | | 167.3 |
| Total Regulatory Assets | | 4,583.8 | | 4,726.6 |
| Less: Current Portion | | 845.8 | | 672.5 |
| Total Long-Term Regulatory Assets | \$ | 3,738.0 | \$ | 4,054.1 |

| | As of December 31, | | | | | | | |
|-----------------------------------|--------------------|-------------------|----------|----------|------------|-------------------|----------|----------|
| | 2015 | | | | 2014 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| (Millions of Dollars) | | | | | | | | |
| Benefit Costs | \$ 413.6 | \$ 479.9 | \$ 164.2 | \$ 84.9 | \$ 445.4 | \$ 515.9 | \$ 174.3 | \$ 85.0 |
| Derivative Liabilities | 380.8 | 1.3 | - | - | 410.9 | 4.5 | - | - |
| Income Taxes, Net | 444.4 | 85.7 | 34.5 | 31.8 | 437.7 | 83.7 | 38.0 | 35.5 |
| Storm Restoration Costs | 271.4 | 110.9 | 31.5 | 23.1 | 319.6 | 103.7 | 47.7 | 31.8 |
| Goodwill-related | - | 416.3 | - | - | - | 433.9 | - | - |
| Regulatory Tracker Mechanisms | 45.1 | 311.0 | 101.2 | 40.1 | 16.1 | 141.4 | 103.5 | 33.0 |
| Other Regulatory Assets | 82.0 | 56.3 | 31.5 | 11.3 | 66.1 | 94.7 | 41.3 | 12.9 |
| Total Regulatory Assets | 1,637.3 | 1,461.4 | 362.9 | 191.2 | 1,695.8 | 1,377.8 | 404.8 | 198.2 |
| Less: Current Portion | 268.3 | 348.4 | 105.0 | 56.2 | 220.3 | 198.7 | 111.7 | 51.9 |
| Total Long-Term Regulatory Assets | \$ 1,369.0 | \$ 1,113.0 | \$ 257.9 | \$ 135.0 | \$ 1,475.5 | \$ 1,179.1 | \$ 293.1 | \$ 146.3 |

Benefit Costs: Eversource's Pension, SERP and PBOP Plans are accounted for in accordance with accounting guidance on defined benefit pension and other PBOP plans. The liability recorded by the Regulated companies to recognize the funded status of their retiree benefit plans is offset by a regulatory asset in lieu of a charge to Accumulated Other Comprehensive Income/(Loss), reflecting ultimate recovery from customers through rates. The regulatory asset is amortized as the actuarial gains and losses and prior service cost are amortized to net periodic benefit cost for the pension and PBOP plans. All amounts are remeasured annually. Regulatory accounting is also applied to the portions of Eversource's service company costs that support the Regulated companies, as these amounts are also recoverable. As these regulatory assets do not represent a cash outlay for the Regulated companies, no carrying charge is recovered from customers.

CL&P, NSTAR Electric, PSNH and WMECO recover benefit costs related to their distribution and transmission operations from customers in rates as allowed by their applicable regulatory commissions. NSTAR Electric and WMECO each recover their qualified pension and PBOP expenses related to distribution operations through rate reconciling mechanisms that fully track the change in net pension and PBOP expenses each year.

Derivative Liabilities: Regulatory assets are recorded as an offset to derivative liabilities and relate to the fair value of contracts used to purchase energy and energy-related products that will be recovered from customers in future rates. These assets are excluded from rate base and are being recovered as the actual settlements occur over the duration of the contracts. See Note 4, "Derivative Instruments," to the financial statements for further information on these contracts.

Income Taxes, Net: The tax effect of temporary book-tax differences (differences between the periods in which transactions affect income in the financial statements and the periods in which they affect the determination of taxable income, including those differences relating to uncertain tax positions) is accounted for in accordance with the rate-making treatment of the applicable regulatory commissions and accounting guidance for income taxes. Differences in income taxes between the accounting guidance and the rate-making treatment of the applicable regulatory commissions are recorded as regulatory assets. As these assets are offset by deferred income tax liabilities, no carrying charge is collected. The amortization period of these assets varies depending on the nature and/or remaining life of the underlying assets and liabilities. For further information regarding income taxes, see Note 10, "Income Taxes," to the financial statements.

Storm Restoration Costs: The storm restoration cost deferrals relate to costs incurred for major storm events at CL&P, NSTAR Electric, PSNH and WMECO that each company expects to recover from customers. A storm must meet certain criteria to qualify as a major storm with the criteria specific to each state jurisdiction and utility company. Once a storm qualifies as a major storm, all qualifying expenses incurred during storm restoration efforts are deferred and recovered from customers. In addition to storm restoration costs, CL&P and PSNH are each allowed to recover pre-staging storm costs. Of the total deferred storm restoration costs, \$197 million is pending regulatory approval (including \$106 million at NSTAR Electric, \$61 million at PSNH, and \$30 million at WMECO). Management believes the storm restoration costs were prudent and meet the criteria for specific cost recovery in Connecticut, Massachusetts and New Hampshire, and that recovery from customers is probable through the applicable regulatory recovery process. Each electric utility has sought, or is seeking, recovery of its deferred storm restoration costs through its applicable regulatory recovery process. Each electric utility company earns a return on its deferred storm restoration cost regulatory asset balance.

Goodwill-related: The goodwill regulatory asset originated from a 1999 merger transaction and the DPU allowed its recovery in NSTAR Electric and NSTAR Gas rates. This regulatory asset is currently being amortized and recovered from customers in rates without a carrying charge over a 40-year period, and, as of December 31, 2015, there were 24 years of amortization remaining.

Regulatory Tracker Mechanisms: The Regulated companies' approved rates are designed to recover their costs incurred to provide service to customers. The Regulated companies recover certain of their costs on a fully-reconciling basis through regulatory commission-approved tracking mechanisms. The differences between the costs incurred (or the rate recovery allowed) and the actual revenues are recorded as regulatory assets (for undercollections) or as regulatory liabilities (for overcollections) to be included in future customer rates each year. Carrying charges are recorded on all material regulatory tracker mechanisms.

CL&P, NSTAR Electric, PSNH and WMECO each recover, on a fully reconciling basis, the costs associated with the procurement of energy, transmission related costs from FERC-approved transmission tariffs, energy efficiency programs (including LBR at NSTAR Electric), low income assistance programs, certain uncollectible accounts receivable for hardship customers, and restructuring and stranded costs as a result of deregulation. Energy procurement costs at PSNH include the costs related to its generating stations and at WMECO include the costs related to its solar generation.

CL&P (effective December 1, 2014) and WMECO each have a regulatory commission approved revenue decoupling mechanism. Distribution revenues are decoupled from customer sales volumes, which breaks the relationship between sales volumes and revenues recognized. CL&P and WMECO reconcile their annual base distribution rate recovery to pre-established levels of baseline distribution delivery service revenues. Any difference between the allowed level of distribution revenue and the actual amount received during a 12-month period is adjusted through rates in the following period. CL&P and WMECO's revenue decoupling mechanisms permit recovery of an annual base amount of distribution revenues of \$1.059 billion and \$132.4 million, respectively.

Contractual Obligations - Yankee Companies: CL&P, NSTAR Electric, PSNH and WMECO are responsible for their proportionate share of the remaining costs of the CYAPC, YAEC and MYAPC nuclear facilities, including nuclear fuel storage. A portion of these costs was recorded as a regulatory asset. Amounts for CL&P are earning a return and are being recovered through the CTA. Amounts for NSTAR Electric and WMECO are being recovered without a return through the transition charge. Amounts for PSNH were fully recovered in 2006. As a result of Eversource's consolidation of CYAPC and YAEC, Eversource's regulatory asset balance also includes the regulatory assets of CYAPC and YAEC, which totaled \$110.9 million and \$97.8 million as of December 31, 2015 and 2014, respectively. Intercompany transactions between CL&P, NSTAR Electric, PSNH and WMECO and the CYAPC and YAEC companies have been eliminated in consolidation of the Eversource financial statements.

Other Regulatory Assets: Other Regulatory Assets primarily include asset retirement obligations, environmental remediation costs, losses associated with the reacquisition or redemption of long-term debt, purchase power contract termination costs and various other items.

Regulatory Costs in Other Long-Term Assets: The Regulated companies had \$75.3 million (including \$3.1 million for CL&P, \$35.4 million for NSTAR Electric, \$4.8 million for PSNH and \$16.7 million for WMECO) and \$60.5 million (including \$1.3 million for CL&P, \$33.2 million for NSTAR Electric, \$0.9 million for PSNH, and \$11 million for WMECO) of additional regulatory costs as of December 31, 2015 and 2014, respectively, that were included in Other Long-Term Assets on the balance sheets. These amounts represent incurred costs for which recovery has not yet been specifically approved by the applicable regulatory agency. However, based on regulatory policies or past precedent on similar costs, management believes it is probable that these costs will ultimately be approved and recovered from customers in rates. The NSTAR Electric balance as of December 31, 2015 and 2014 primarily related to the deferral of certain bad debt costs expected to be recovered in future rates.

Equity Return on Regulatory Assets: For rate-making purposes, the Regulated companies recover the carrying costs related to their regulatory assets. For certain regulatory assets, the carrying cost recovered includes an equity return component. This equity return, which is not recorded on the balance sheets, totaled \$1.5 million and \$1.7 million for CL&P as of December 31, 2015 and 2014, respectively. These carrying costs will be recovered from customers in future rates.

As of December 31, 2015 and 2014, this equity return, which is not recorded on the balance sheets, totaled \$48.3 million and \$43.3 million, respectively, for PSNH. These amounts include \$25 million of equity return on the Clean Air Project costs that PSNH has agreed not to bill customers pending NHPUC approval of a generation divestiture settlement agreement. For further information on the divestiture, see Note 11H, "Commitments and Contingencies – PSNH Generation Restructuring."

Regulatory Liabilities: The components of regulatory liabilities were as follows:

| Eversource (Millions of Dollars) | As of December 31, | |
|----------------------------------------|--------------------|----------|
| | 2015 | 2014 |
| Cost of Removal | \$ 437.1 | \$ 439.9 |
| Regulatory Tracker Mechanisms | 99.7 | 192.3 |
| AFUDC - Transmission | 66.1 | 67.1 |
| Other Regulatory Liabilities | 18.5 | 50.8 |
| Total Regulatory Liabilities | 621.4 | 750.1 |
| Less: Current Portion | 107.8 | 235.0 |
| Total Long-Term Regulatory Liabilities | \$ 513.6 | \$ 515.1 |

| (Millions of Dollars) | As of December 31, | | | | | | | |
|----------------------------------------|--------------------|----------------|---------|---------|---------|----------------|---------|---------|
| | 2015 | | | | 2014 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Cost of Removal | \$ 24.1 | \$ 257.4 | \$ 47.2 | \$ 2.8 | \$ 19.7 | \$ 258.3 | \$ 50.3 | \$ 1.1 |
| Regulatory Tracker Mechanisms | 56.2 | 3.3 | 3.4 | 12.9 | 122.6 | 20.7 | 14.2 | 22.3 |
| AFUDC - Transmission | 51.5 | 5.7 | - | 8.9 | 53.6 | 4.4 | - | 9.1 |
| Other Regulatory Liabilities | 4.2 | 1.3 | 4.2 | 0.1 | 10.1 | 28.9 | 2.9 | 0.8 |
| Total Regulatory Liabilities | 136.0 | 267.7 | 54.8 | 24.7 | 206.0 | 312.3 | 67.4 | 33.3 |
| Less: Current Portion | 61.2 | 3.3 | 6.9 | 13.1 | 124.7 | 49.6 | 16.0 | 22.5 |
| Total Long-Term Regulatory Liabilities | \$ 74.8 | \$ 264.4 | \$ 47.9 | \$ 11.6 | \$ 81.3 | \$ 262.7 | \$ 51.4 | \$ 10.8 |

Cost of Removal: Eversource's Regulated companies currently recover amounts in rates for future costs of removal of plant assets over the lives of the assets. The estimated cost to remove utility assets from service is recognized as a component of depreciation expense and the cumulative amount collected from customers but not yet expended is recognized as a regulatory liability. Expended costs that exceed amounts collected from customers are recognized as regulatory assets, as they are probable of recovery in future rates.

AFUDC - Transmission: Regulatory liabilities were recorded by CL&P and WMECO for AFUDC accrued on certain reliability-related transmission projects to reflect local rate base recovery as a result of a FERC-approved transmission tariff. A regulatory liability was recorded by NSTAR Electric for AFUDC accrued on certain reliability-related transmission projects through December 31, 2015 to reflect local rate base recovery. These regulatory liabilities for CL&P, NSTAR Electric and WMECO will be amortized over the depreciable life of the related transmission assets.

2015 Regulatory Developments:

FERC ROE Complaints: As a result of the actions taken by the FERC and other developments in the pending ROE complaint proceedings described in Note 11E, "Commitments and Contingencies – FERC ROE Complaints," Eversource recorded reserves for the first and second ROE complaints, which were recorded as a regulatory liability and as a reduction to operating revenues. The cumulative pre-tax reserves (excluding interest) as of December 31, 2015, which include the impact of refunds given to customers, totaled \$39.1 million for Eversource (including \$21.4 million for CL&P, \$8.5 million for NSTAR Electric, \$3.1 million for PSNH, and \$6.1 million for WMECO).

NSTAR Electric and NSTAR Gas Comprehensive Settlement Agreement: On March 2, 2015, the DPU approved the comprehensive settlement agreement between NSTAR Electric, NSTAR Gas and the Massachusetts Attorney General (the "Settlement") as filed with the DPU on December 31, 2014. The Settlement resolved the outstanding NSTAR Electric CPSL program filings for 2006 through 2011, the NSTAR Electric and NSTAR Gas PAM and energy efficiency-related customer billing adjustments reported in 2012, and the recovery of LBR related to NSTAR Electric's energy efficiency programs for 2009 through 2011 (11 dockets in total). In 2015, as a result of the DPU order, NSTAR Electric and NSTAR Gas commenced refunding a combined \$44.7 million to customers, which was recorded as a regulatory liability. Refunds to customers will continue through December 2016. As a result of the Settlement, NSTAR Electric increased its operating revenues and decreased its amortization expense in 2015, resulting in the recognition of a \$21.7 million pre-tax benefit in 2015.

NSTAR Electric Basic Service Bad Debt Adder: On January 7, 2015, the DPU issued an order concluding that NSTAR Electric had removed energy-related bad debt costs from base distribution rates effective January 1, 2006. As a result of the DPU order, in the first quarter of 2015, NSTAR Electric increased its regulatory assets and reduced its operations and maintenance expense by an under recovered amount of \$24.2 million for energy-related bad debt costs through 2014, resulting in a pre-tax benefit in 2015. NSTAR Electric filed for recovery of the energy-related bad debt costs regulatory asset from customers and on November 20, 2015 the DPU approved NSTAR Electric's proposed rate increase to recover these costs over a 12-month period, effective January 1, 2016.

CL&P Distribution Rates: On July 2, 2015, PURA issued a final order that approved a settlement agreement filed on May 19, 2015, which allows for an increase to rate base of approximately \$163 million associated with ADIT, including a regulatory asset to recover the incremental revenue requirement for the period December 1, 2014 through November 30, 2015 over a subsequent 24-month period. The rate base increase provided an increase to total allowed annual revenue requirements of \$18.4 million beginning December 1, 2014. As part of the settlement agreement, the \$18.4 million for the period December 1, 2014 through November 30, 2015 was recorded as a regulatory asset with a corresponding increase in Operating Revenues, and is being collected from customers in rates over a 24-month period beginning December 1, 2015.

NSTAR Gas Distribution Rates: On October 30, 2015, the DPU issued its order in the NSTAR Gas distribution rate case, which approved an annualized base rate increase of \$15.8 million, plus other increases of approximately \$11.5 million, mostly relating to recovery of pension and PBOP expenses and the Hopkinton GSA, effective January 1, 2016. In the order, the DPU also approved an authorized regulatory ROE of 9.8 percent, the establishment of a revenue decoupling mechanism, the recovery of certain bad debt expenses, and a 52.1 percent equity component of its capital structure. On November 19, 2015, NSTAR Gas filed a motion for reconsideration of the order with the DPU seeking the correction of mathematical errors and other plant and cost of service items.

As a result of this order, Eversource recorded regulatory deferrals for costs that have been approved for recovery or are expected to be approved for recovery in future rate proceedings, which resulted in the recognition of a \$17.2 million pre-tax benefit in 2015. Included in this amount is a \$10.5 million pre-tax benefit recorded at NSTAR Electric for certain uncollectible hardship accounts receivable that are expected to be recovered in future rates given the allowed recoveries of uncollectible hardship accounts receivable by WMECO and NSTAR Gas.

3. PROPERTY, PLANT AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Utility property, plant and equipment is recorded at original cost. Original cost includes materials, labor, construction overhead and AFUDC for regulated property. The cost of repairs and maintenance, including planned major maintenance activities, is charged to Operating Expenses as incurred.

The following tables summarize the investments in utility property, plant and equipment by asset category:

| Eversource (Millions of Dollars) | As of December 31, | |
|------------------------------------------|--------------------|-------------|
| | 2015 | 2014 |
| Distribution - Electric | \$ 13,054.8 | \$ 12,495.2 |
| Distribution - Natural Gas | 2,727.2 | 2,595.4 |
| Transmission - Electric | 7,691.9 | 6,930.7 |
| Generation | 1,194.1 | 1,170.9 |
| Electric and Natural Gas Utility | 24,668.0 | 23,192.2 |
| Other ⁽¹⁾ | 558.6 | 551.3 |
| Property, Plant and Equipment, Gross | 25,226.6 | 23,743.5 |
| Less: Accumulated Depreciation | | |
| Electric and Natural Gas Utility | (6,141.1) | (5,777.8) |
| Other | (255.6) | (231.8) |
| Total Accumulated Depreciation | (6,396.7) | (6,009.6) |
| Property, Plant and Equipment, Net | 18,829.9 | 17,733.9 |
| Construction Work in Progress | 1,062.5 | 913.1 |
| Total Property, Plant and Equipment, Net | \$ 19,892.4 | \$ 18,647.0 |

(1) These assets are primarily comprised of building improvements, computer software, hardware and equipment at Eversource Service.

| | As of December 31, | | | | | | | |
|------------------------------------------|--------------------|----------------|------------|------------|------------|----------------|------------|------------|
| | 2015 | | | | 2014 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| (Millions of Dollars) | | | | | | | | |
| Distribution | \$ 5,377.2 | \$ 5,100.5 | \$ 1,804.8 | \$ 812.3 | \$ 5,158.8 | \$ 4,895.5 | \$ 1,696.7 | \$ 784.2 |
| Transmission | 3,618.0 | 2,131.3 | 928.2 | 964.9 | 3,274.0 | 1,928.5 | 789.7 | 891.0 |
| Generation | - | - | 1,158.1 | 36.0 | - | - | 1,136.5 | 34.4 |
| Property, Plant and Equipment, Gross | 8,995.2 | 7,231.8 | 3,891.1 | 1,813.2 | 8,432.8 | 6,824.0 | 3,622.9 | 1,709.6 |
| Less: Accumulated Depreciation | (2,041.9) | (1,886.8) | (1,171.0) | (307.0) | (1,928.0) | (1,761.4) | (1,090.0) | (297.4) |
| Property, Plant and Equipment, Net | 6,953.3 | 5,345.0 | 2,720.1 | 1,506.2 | 6,504.8 | 5,062.6 | 2,532.9 | 1,412.2 |
| Construction Work in Progress | 203.5 | 310.5 | 135.3 | 69.1 | 304.9 | 272.8 | 102.9 | 49.1 |
| Total Property, Plant and Equipment, Net | \$ 7,156.8 | \$ 5,655.5 | \$ 2,855.4 | \$ 1,575.3 | \$ 6,809.7 | \$ 5,335.4 | \$ 2,635.8 | \$ 1,461.3 |

As of December 31, 2015, PSNH had \$1.2 billion in gross generation utility plant assets and related Accumulated Depreciation of \$522.4 million.

These generation assets are the subject of a divestiture agreement entered into on June 10, 2015 between Eversource, PSNH and key New Hampshire officials whereby, among other resolutions, PSNH has agreed to divest these generation assets upon NHPUC approval. Upon completion of the divestiture process, remaining costs not recovered by the sale of these assets (stranded costs) will be recovered via bonds that will be secured by a non-bypassable charge or other recovery mechanisms in rates billed to PSNH's customers. See Note 11H, "Commitments and Contingencies – PSNH Generation Restructuring," for further information.

Depreciation of utility assets is calculated on a straight-line basis using composite rates based on the estimated remaining useful lives of the various classes of property (estimated useful life for PSNH distribution). The composite rates, which are subject to approval by the appropriate state regulatory agency, include a cost of removal component (other than PSNH Generation), which is collected from customers over the lives of the plant assets and is recognized as a regulatory liability. Depreciation rates are applied to property from the time it is placed in service.

Upon retirement from service, the cost of the utility asset is charged to the accumulated provision for depreciation. The actual incurred removal costs are applied against the related regulatory liability.

The depreciation rates for the various classes of utility property, plant and equipment aggregate to composite rates as follows:

| (Percent) | 2015 | 2014 | 2013 |
|----------------|-------|-------|-------|
| Eversource | 2.9 % | 3.0 % | 2.8 % |
| CL&P | 2.7 % | 2.7 % | 2.5 % |
| NSTAR Electric | 3.0 % | 3.0 % | 2.9 % |
| PSNH | 3.2 % | 3.0 % | 3.0 % |
| WMECO | 2.7 % | 3.3 % | 2.9 % |

The following table summarizes average remaining useful lives of depreciable assets:

| (Years) | As of December 31, 2015 | | | | |
|--------------|-------------------------|------|----------------|------|-------|
| | Eversource | CL&P | NSTAR Electric | PSNH | WMECO |
| Distribution | 34.8 | 37.3 | 31.9 | 31.3 | 30.5 |
| Transmission | 41.6 | 38.7 | 43.8 | 41.6 | 50.0 |
| Generation | 30.7 | - | - | 30.9 | 25.0 |
| Other | 14.1 | - | - | - | - |

4. DERIVATIVE INSTRUMENTS

The Regulated companies purchase and procure energy and energy-related products, which are subject to price volatility, for their customers. The costs associated with supplying energy to customers are recoverable from customers in future rates. The Regulated companies manage the risks associated with the price volatility of energy and energy-related products through the use of derivative and nonderivative contracts.

Many of the derivative contracts meet the definition of, and are designated as, normal and qualify for accrual accounting under the applicable accounting guidance. The costs and benefits of derivative contracts that meet the definition of normal are recognized in Operating Expenses or Operating Revenues on the statements of income, as applicable, as electricity or natural gas is delivered.

Derivative contracts that are not designated as normal are recorded at fair value as current or long-term Derivative Assets or Derivative Liabilities on the balance sheets. For the Regulated companies, regulatory assets or regulatory liabilities are recorded to offset the fair values of derivatives, as contract settlement amounts are recovered from, or refunded to, customers in their respective energy supply rates.

The gross fair values of derivative assets and liabilities with the same counterparty are offset and reported as net Derivative Assets or Derivative Liabilities, with current and long-term portions, on the balance sheets. The following table presents the gross fair values of contracts, categorized by risk type, and the net amounts recorded as current or long-term derivative assets or liabilities:

| | As of December 31, | | | | | |
|------------------------------------------|--------------------------------------------------|------------------------|-------------------------------------------|--------------------------------------------------|------------------------|-------------------------------------------|
| | 2015 | | | 2014 | | |
| | Commodity Supply and Price Risk Management | Netting ⁽¹⁾ | Net Amount Recorded as a Derivative | Commodity Supply and Price Risk Management | Netting ⁽¹⁾ | Net Amount Recorded as a Derivative |
| <i>(Millions of Dollars)</i> | | | | | | |
| Current Derivative Assets: | | | | | | |
| Level 3: | | | | | | |
| Eversource | \$ 16.7 | \$ (10.9) | \$ 5.8 | \$ 16.2 | \$ (6.6) | \$ 9.6 |
| CL&P | 16.7 | (10.9) | 5.8 | 16.1 | (6.6) | 9.5 |
| NSTAR Electric | - | - | - | 0.1 | - | 0.1 |
| Long-Term Derivative Assets: | | | | | | |
| Level 2: | | | | | | |
| Eversource | \$ 0.1 | \$ - | \$ 0.1 | \$ - | \$ - | \$ - |
| Level 3: | | | | | | |
| Eversource | 62.0 | (19.3) | 42.7 | 93.5 | (19.2) | 74.3 |
| CL&P | 60.7 | (19.3) | 41.4 | 93.5 | (19.2) | 74.3 |
| NSTAR Electric | 1.3 | - | 1.3 | - | - | - |
| Current Derivative Liabilities: | | | | | | |
| Level 2: | | | | | | |
| Eversource | \$ (5.8) | \$ - | \$ (5.8) | \$ (9.8) | \$ - | \$ (9.8) |
| Level 3: | | | | | | |
| Eversource | (92.3) | - | (92.3) | (90.0) | - | (90.0) |
| CL&P | (91.8) | - | (91.8) | (88.5) | - | (88.5) |
| NSTAR Electric | (0.5) | - | (0.5) | (1.5) | - | (1.5) |
| Long-Term Derivative Liabilities: | | | | | | |
| Level 2: | | | | | | |
| Eversource | \$ - | \$ - | \$ - | \$ (0.3) | \$ - | \$ (0.3) |
| Level 3: | | | | | | |
| Eversource | (337.1) | - | (337.1) | (409.3) | - | (409.3) |
| CL&P | (336.2) | - | (336.2) | (406.2) | - | (406.2) |
| NSTAR Electric | (0.9) | - | (0.9) | (3.1) | - | (3.1) |

(1) Amounts represent derivative assets and liabilities that Eversource elected to record net on the balance sheets. These amounts are subject to master netting agreements or similar agreements for which the right of offset exists.

The business activities that result in the recognition of derivative assets also create exposure to various counterparties. As of December 31, 2015, Eversource's and CL&P's derivative assets were exposed to counterparty credit risk. Of Eversource's and CL&P's derivative assets, approximately \$47 million was contracted with investment grade entities.

For further information on the fair value of derivative contracts, see Note 1H, "Summary of Significant Accounting Policies - Fair Value Measurements," and Note 1I, "Summary of Significant Accounting Policies - Derivative Accounting," to the financial statements.

Derivative Contracts At Fair Value with Offsetting Regulatory Amounts

Commodity Supply and Price Risk Management: As required by regulation, CL&P, along with UI, has capacity-related contracts with generation facilities. CL&P has a sharing agreement with UI, with 80 percent of the costs or benefits of each contract borne by or allocated to CL&P and 20 percent borne by or allocated to UI. The combined capacity of these contracts is 787 MW. The capacity contracts extend through 2026 and obligate both CL&P and UI to make or receive payments on a monthly basis to or from the generation facilities based on the difference between a set capacity price and the capacity market price received in the ISO-NE capacity markets. In addition, CL&P has a contract to purchase 0.1 million MWh of energy per year through 2020.

NSTAR Electric has a renewable energy contract to purchase 0.1 million MWh of energy per year through 2018 and a capacity-related contract to purchase up to 35 MW per year through 2019.

As of December 31, 2015 and 2014, Eversource had NYMEX financial contracts for natural gas futures in order to reduce variability associated with the purchase price of approximately 9.1 million and 8.8 million MMBtu of natural gas, respectively.

For the years ended December 31, 2015, 2014 and 2013, there were losses of \$60.2 million and gains of \$134.4 million and \$160.6 million, respectively, deferred as regulatory costs, which reflect the change in fair value associated with Eversource's derivative contracts.

Credit Risk

Certain of Eversource's derivative contracts contain credit risk contingent provisions. These provisions require Eversource to maintain investment grade credit ratings from the major rating agencies and to post collateral for contracts in a net liability position over specified credit limits. As of December 31, 2015 and 2014, Eversource had \$5.8 million and \$10 million, respectively, of derivative contracts in a net liability position that were

subject to credit risk contingent provisions and would have been required to post additional collateral of \$5.8 million and \$10 million, respectively, if Eversource parent's unsecured debt credit ratings had been downgraded to below investment grade.

Fair Value Measurements of Derivative Instruments

Derivative contracts classified as Level 2 in the fair value hierarchy relate to the financial contracts for natural gas futures. Prices are obtained from broker quotes and are based on actual market activity. The contracts are valued using NYMEX natural gas prices. Valuations of these contracts also incorporate discount rates using the yield curve approach.

The fair value of derivative contracts classified as Level 3 utilizes significant unobservable inputs. The fair value is modeled using income techniques, such as discounted cash flow valuations adjusted for assumptions relating to exit price. Significant observable inputs for valuations of these contracts include energy and energy-related product prices in future years for which quoted prices in an active market exist. Fair value measurements categorized in Level 3 of the fair value hierarchy are prepared by individuals with expertise in valuation techniques, pricing of energy and energy-related products, and accounting requirements. The future power and capacity prices for periods that are not quoted in an active market or established at auction are based on available market data and are escalated based on estimates of inflation in order to address the full time period of the contract.

Valuations of derivative contracts using a discounted cash flow methodology include assumptions regarding the timing and likelihood of scheduled payments and also reflect non-performance risk, including credit, using the default probability approach based on the counterparty's credit rating for assets and the Company's credit rating for liabilities. Valuations incorporate estimates of premiums or discounts that would be required by a market participant to arrive at an exit price, using historical market transactions adjusted for the terms of the contract.

The following is a summary of Eversource's, including CL&P's and NSTAR Electric's, Level 3 derivative contracts and the range of the significant unobservable inputs utilized in their respective valuations over the duration of the contracts:

| | As of December 31, | | | | | |
|----------------------------|--------------------|----------------|-------------|------------------|----------------|-------------|
| | 2015 | | | 2014 | | |
| | Range | Period Covered | | Range | Period Covered | |
| Capacity Prices: | | | | | | |
| Eversource | \$ 10.81 - 15.82 | per kW-Month | 2016 - 2026 | \$ 5.30 - 12.98 | per kW-Month | 2016 - 2026 |
| CL&P | \$ 10.81 - 12.60 | per kW-Month | 2019 - 2026 | \$ 11.08 - 12.98 | per kW-Month | 2018 - 2026 |
| NSTAR Electric | \$ 10.81 - 15.82 | per kW-Month | 2016 - 2019 | \$ 5.30 - 11.10 | per kW-Month | 2016 - 2019 |
| Forward Reserve: | | | | | | |
| Eversource, CL&P | \$ 2.00 | per kW-Month | 2016 - 2024 | \$ 5.80 - 9.50 | per kW-Month | 2015 - 2024 |
| REC Prices: | | | | | | |
| Eversource, NSTAR Electric | \$ 45 - 51 | per REC | 2016 - 2018 | \$ 38 - 56 | per REC | 2015 - 2018 |

Exit price premiums of 5 percent to 22 percent are also applied on these contracts and reflect the uncertainty and illiquidity premiums that would be required based on the most recent market activity available for similar type contracts.

Valuations using significant unobservable inputs: The following table presents changes in the Level 3 category of derivative assets and derivative liabilities measured at fair value on a recurring basis. The derivative assets and liabilities are presented on a net basis.

| (Millions of Dollars) | Eversource | CL&P | NSTAR Electric |
|--------------------------------------------|------------|------------|----------------|
| Derivatives, Net: | | | |
| Fair Value as of January 1, 2014 | \$ (635.2) | \$ (630.6) | \$ (7.3) |
| Net Realized/Unrealized Gains Included in | | | |
| Regulatory Assets and Liabilities | 141.3 | 139.7 | 4.3 |
| Settlements | 78.5 | 80.0 | (1.5) |
| Fair Value as of December 31, 2014 | \$ (415.4) | \$ (410.9) | \$ (4.5) |
| Net Realized/Unrealized Losses Included in | | | |
| Regulatory Assets and Liabilities | (52.1) | (51.3) | (0.8) |
| Settlements | 86.6 | 81.4 | 5.2 |
| Fair Value as of December 31, 2015 | \$ (380.9) | \$ (380.8) | \$ (0.1) |

Significant increases or decreases in future energy or capacity prices in isolation would decrease or increase, respectively, the fair value of the derivative liability. Any increases in risk premiums would increase the fair value of the derivative liability. Changes in these fair values are recorded as a regulatory asset or liability and do not impact net income.

5. MARKETABLE SECURITIES

Eversource maintains trusts that hold marketable securities to fund certain non-qualified executive benefits. These trusts are not subject to regulatory oversight by state or federal agencies. CYAPC and YAEC maintain legally restricted trusts, each of which holds marketable securities, to fund the decommissioning and spent nuclear fuel removal obligations of their nuclear fuel storage facilities.

WMECO maintained a spent nuclear fuel trust to fund WMECO's pre-1983 spent nuclear fuel obligation. In late 2015, this trust was liquidated to satisfy the spent nuclear fuel obligation with the DOE. For further information, see Note 8, "Long-Term Debt."

Trading Securities: Eversource has elected to record certain equity securities as trading securities, with the changes in fair values recorded in Other Income, Net on the statements of income. As of December 31, 2015 and 2014, these securities were classified as Level 1 in the fair value hierarchy and totaled \$14.2 million and \$85.1 million, respectively. For the years ended December 31, 2015, 2014 and 2013, net gains on these securities of \$2 million, \$1.9 million and \$10.2 million, respectively, were recorded in Other Income, Net on the statements of income. Dividend income is recorded in Other Income, Net when dividends are declared. In 2015, certain of the securities classified as trading securities were sold and the proceeds were re-invested in equity securities designated as available-for-sale securities.

Available-for-Sale Securities: The following is a summary of available-for-sale securities, which are recorded at fair value and are included in current and long-term Marketable Securities on the balance sheets.

| (Millions of Dollars) | As of December 31, | | | | | | | |
|------------------------------------|--------------------|--------------------------|---------------------------|------------|----------------|--------------------------|---------------------------|------------|
| | 2015 | | | | 2014 | | | |
| | Amortized Cost | Pre-Tax Unrealized Gains | Pre-Tax Unrealized Losses | Fair Value | Amortized Cost | Pre-Tax Unrealized Gains | Pre-Tax Unrealized Losses | Fair Value |
| Eversource | | | | | | | | |
| Debt Securities ^{(1) (2)} | \$ 256.5 | \$ 4.5 | \$ (0.6) | \$ 260.4 | \$ 313.0 | \$ 7.5 | \$ (0.3) | \$ 320.2 |
| Equity Securities ⁽¹⁾ | 215.3 | 59.2 | (3.4) | 271.1 | 160.6 | 73.3 | - | 233.9 |
| WMECO | | | | | | | | |
| Debt Securities ⁽²⁾ | - | - | - | - | 58.2 | - | (0.1) | 58.1 |

(1) Amounts include CYAPC's and YAEC's marketable securities held in nuclear decommissioning trusts of \$436.9 million and \$450.8 million as of December 31, 2015 and 2014, respectively. Unrealized gains and losses for the nuclear decommissioning trusts are recorded in Marketable Securities with the corresponding offset to Other Long-Term Liabilities on the balance sheets, with no impact on the statements of income.

(2) Unrealized gains and losses on debt securities held by WMECO were recorded in Marketable Securities with the corresponding offset to Other Long-Term Assets on the balance sheets.

Unrealized Losses and Other-than-Temporary Impairment: There have been no significant unrealized losses, other-than-temporary impairments or credit losses in 2015 or 2014. Factors considered in determining whether a credit loss exists include the duration and severity of the impairment, adverse conditions specifically affecting the issuer, and the payment history, ratings and rating changes of the security. For asset-backed debt securities, underlying collateral and expected future cash flows are also evaluated.

Realized Gains and Losses: Realized gains and losses on available-for-sale securities are recorded in Other Income, Net for Eversource's benefit trust and are offset in Other Long-Term Liabilities for CYAPC and YAEC. Eversource utilizes the specific identification basis method for the Eversource benefit trust and the average cost basis method for the CYAPC and YAEC nuclear decommissioning trusts to compute the realized gains and losses on the sale of available-for-sale securities.

Contractual Maturities: As of December 31, 2015, the contractual maturities of available-for-sale debt securities were as follows:

| (Millions of Dollars) | Amortized Cost | Fair Value |
|-----------------------------------|-----------------|-----------------|
| Less than one year ⁽¹⁾ | \$ 33.3 | \$ 33.2 |
| One to five years | 50.2 | 50.7 |
| Six to ten years | 56.6 | 57.2 |
| Greater than ten years | 116.4 | 119.3 |
| Total Debt Securities | \$ 256.5 | \$ 260.4 |

(1) Amounts in the Less than one year category include securities in the CYAPC and YAEC nuclear decommissioning trusts, which are restricted and are classified in long-term Marketable Securities on the balance sheets.

Fair Value Measurements: The following table presents the marketable securities recorded at fair value on a recurring basis by the level in which they are classified within the fair value hierarchy:

| (Millions of Dollars) | As of December 31, | |
|--------------------------------------------------------------|--------------------|-----------------|
| | 2015 | 2014 |
| Level 1: | | |
| Mutual Funds and Equities | \$ 285.3 | \$ 319.0 |
| Money Market Funds | 26.9 | 24.9 |
| Total Level 1 | \$ 312.2 | \$ 343.9 |
| Level 2: | | |
| U.S. Government Issued Debt Securities (Agency and Treasury) | \$ 46.6 | \$ 51.3 |
| Corporate Debt Securities | 43.9 | 49.1 |
| Asset-Backed Debt Securities | 20.0 | 54.1 |
| Municipal Bonds | 111.4 | 116.3 |
| Other Fixed Income Securities | 11.6 | 24.5 |
| Total Level 2 | \$ 233.5 | \$ 295.3 |
| Total Marketable Securities | \$ 545.7 | \$ 639.2 |

As of December 31, 2014, the WMECO spent nuclear fuel trust included investments in money market funds of \$4.3 million classified as Level 1 in the fair value hierarchy, and \$14.7 million of corporate debt securities, \$14.5 million of asset-backed debt securities, \$13 million of municipal bonds and \$11.6 million of other fixed income securities classified as Level 2 in the fair value hierarchy. The trust was liquidated in late 2015.

U.S. government issued debt securities are valued using market approaches that incorporate transactions for the same or similar bonds and adjustments for yields and maturity dates. Corporate debt securities are valued using a market approach, utilizing recent trades of the same or similar instrument and also incorporating yield curves, credit spreads and specific bond terms and conditions. Asset-backed debt securities include collateralized mortgage obligations, commercial mortgage backed securities, and securities collateralized by auto loans, credit card loans or receivables. Asset-backed debt securities are valued using recent trades of similar instruments, prepayment assumptions, yield curves, issuance and maturity dates, and tranche information. Municipal bonds are valued using a market approach that incorporates reported trades and benchmark yields. Other fixed income securities are valued using pricing models, quoted prices of securities with similar characteristics, and discounted cash flows.

6. ASSET RETIREMENT OBLIGATIONS

Eversource, including CL&P, NSTAR Electric, PSNH and WMECO, recognizes a liability for the fair value of an ARO on the obligation date if the liability's fair value can be reasonably estimated and is conditional on a future event. Settlement dates and future costs are reasonably estimated when sufficient information becomes available. Management has identified various categories of AROs, primarily certain assets containing asbestos and hazardous contamination, and has performed fair value calculations reflecting expected probabilities for settlement scenarios.

The fair value of an ARO is recorded as a liability in Other Long-Term Liabilities with a corresponding amount included in Property, Plant and Equipment, Net on the balance sheets. The ARO assets are depreciated, and the ARO liabilities are accreted over the estimated life of the obligation with corresponding credits recorded as accumulated depreciation and ARO liabilities, respectively. As the Regulated companies are rate-regulated on a cost-of-service basis, these companies apply regulatory accounting guidance and both the depreciation and accretion costs associated with the Regulated companies' AROs are recorded as increases to Regulatory Assets on the balance sheets.

A reconciliation of the beginning and ending carrying amounts of ARO liabilities are as follows:

| | As of December 31, | |
|--------------------------------------|--------------------|----------|
| | 2015 | 2014 |
| Eversource | | |
| <i>(Millions of Dollars)</i> | | |
| Balance as of Beginning of Year | \$ 426.3 | \$ 424.9 |
| Liabilities Incurred During the Year | 6.6 | 1.3 |
| Liabilities Settled During the Year | (18.2) | (19.5) |
| Accretion | 26.5 | 25.1 |
| Revisions in Estimated Cash Flows | (11.1) | (5.5) |
| Balance as of End of Year | \$ 430.1 | \$ 426.3 |

| | As of December 31, | | | | | | | |
|--------------------------------------|--------------------|----------------|---------|--------|---------|----------------|---------|--------|
| | 2015 | | | | 2014 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| <i>(Millions of Dollars)</i> | | | | | | | | |
| Balance as of Beginning of Year | \$ 35.3 | \$ 34.3 | \$ 20.6 | \$ 5.9 | \$ 35.0 | \$ 32.8 | \$ 19.5 | \$ 4.5 |
| Liabilities Incurred During the Year | - | 6.2 | 0.4 | - | - | - | - | 1.1 |
| Liabilities Settled During the Year | - | (1.5) | - | (0.1) | (1.1) | - | - | - |
| Accretion | 2.2 | 1.8 | 1.3 | 0.4 | 1.9 | 1.5 | 1.1 | 0.3 |
| Revisions in Estimated Cash Flows | (3.7) | (5.5) | (0.7) | (0.5) | (0.5) | - | - | - |
| Balance as of End of Year | \$ 33.8 | \$ 35.3 | \$ 21.6 | \$ 5.7 | \$ 35.3 | \$ 34.3 | \$ 20.6 | \$ 5.9 |

Eversource's amounts include CYAPC and YAEC's AROs of \$319.1 million and \$317.3 million as of December 31, 2015 and 2014, respectively. The fair value of the ARO for CYAPC and YAEC includes uncertainties of the fuel off-load dates related to the DOE's timing of performance regarding its obligation to dispose of the spent nuclear fuel and high level waste. The incremental asset recorded as an offset to the ARO liability was fully depreciated since the plants have no remaining useful life. Any changes in the assumptions used to calculate the fair value of the ARO liability are recorded with a corresponding offset to the related regulatory asset. The assets held in the CYAPC and YAEC nuclear decommissioning trusts are restricted for settling the ARO and all other decommissioning obligations. For further information on the assets held in the nuclear decommissioning trusts, see Note 5, "Marketable Securities," to the financial statements.

Short-Term Borrowing Limits: The amount of short-term borrowings that may be incurred by CL&P, NSTAR Electric and WMECO is subject to periodic approval by the FERC. As a result of the NHPUC having jurisdiction over PSNH's short-term debt, PSNH is not currently required to obtain FERC approval for its short-term borrowings. On June 16, 2015, the FERC granted authorization that allows CL&P and WMECO to incur total short-term borrowings up to a maximum of \$600 million and \$300 million, respectively, effective January 1, 2016 through December 31, 2017. On June 11, 2014, the FERC granted authorization to allow NSTAR Electric to issue total short-term debt securities in an aggregate principal amount not to exceed \$655 million outstanding at any one time, effective October 24, 2014 through October 23, 2016.

PSNH is authorized by regulation of the NHPUC to incur short-term borrowings up to 10 percent of net fixed plant plus an additional \$60 million until further ordered by the NHPUC. As of December 31, 2015, PSNH's short-term debt authorization under the 10 percent of net fixed plant test plus \$60 million totaled approximately \$325 million.

CL&P's certificate of incorporation contains preferred stock provisions restricting the amount of unsecured debt that CL&P may incur, including limiting unsecured indebtedness with a maturity of less than 10 years to 10 percent of total capitalization. As of December 31, 2015, CL&P had \$327.3 million of unsecured debt capacity available under this authorization.

Yankee Gas and NSTAR Gas are not required to obtain approval from any state or federal authority to incur short-term debt.

Credit Agreements and Commercial Paper Programs: Eversource parent, CL&P, PSNH, WMECO, NSTAR Gas and Yankee Gas are parties to a five-year \$1.45 billion revolving credit facility. On October 26, 2015, this revolving credit facility was amended and restated and the termination date was extended to September 4, 2020. Under the revolving credit facility, CL&P has a borrowing sublimit of \$600 million, and PSNH and WMECO each have borrowing sublimits of \$300 million. The revolving credit facility serves to backstop Eversource parent's \$1.45 billion commercial paper program. The commercial paper program allows Eversource parent to issue commercial paper as a form of short-term debt. As of December 31, 2015 and 2014, Eversource parent had approximately \$1.1 billion in short-term borrowings outstanding on each date under the Eversource parent commercial paper program, leaving \$351.5 million and \$348.9 million of available borrowing capacity as of December 31, 2015 and 2014, respectively. The weighted-average interest rate on these borrowings as of December 31, 2015 and 2014 was 0.72 percent and 0.43 percent, respectively. As of December 31, 2015, there were intercompany loans from Eversource parent of \$277.4 million to CL&P, \$231.3 million to PSNH and \$143.4 million to WMECO. As of December 31, 2014, there were intercompany loans from Eversource parent of \$133.4 million to CL&P, \$90.5 million to PSNH and \$21.4 million to WMECO.

NSTAR Electric has a five-year \$450 million revolving credit facility. On October 26, 2015, this revolving credit facility was amended and restated and the termination date was extended to September 4, 2020. The facility serves to backstop NSTAR Electric's \$450 million commercial paper program. As of December 31, 2015 and 2014, NSTAR Electric had \$62.5 million and \$302 million, respectively, in short-term borrowings outstanding under its commercial paper program, leaving \$387.5 million and \$148 million of available borrowing capacity as of December 31, 2015 and 2014, respectively. The weighted-average interest rate on these borrowings as of December 31, 2015 and 2014 was 0.40 percent and 0.27 percent, respectively.

Except as described below, amounts outstanding under the commercial paper programs are included in Notes Payable for Eversource and NSTAR Electric and are classified in current liabilities on the balance sheets as all borrowings are outstanding for no more than 364 days at one time.

Intercompany loans from Eversource parent to CL&P, PSNH and WMECO are included in Notes Payable to Eversource Parent and are classified in current liabilities on their respective balance sheets. Intercompany loans from Eversource to CL&P, PSNH and WMECO are eliminated in consolidation on Eversource's balance sheets.

On January 15, 2015, Eversource parent issued \$150 million of 1.60 percent Series G Senior Notes due to mature in 2018 and \$300 million of 3.15 percent Series H Senior Notes, due to mature in 2025. The proceeds, net of issuance costs, were used to repay short-term borrowings outstanding under the Eversource parent commercial paper program. As the debt proceeds, net of issuance costs, refinanced short-term debt, the short-term debt was classified as Long-Term Debt as of December 31, 2014. See Note 8, "Long-Term Debt," for further information on these debt issuances.

Under the credit facilities described above, Eversource and its subsidiaries must comply with certain financial and non-financial covenants, including a consolidated debt to total capitalization ratio. As of December 31, 2015 and 2014, Eversource and its subsidiaries were in compliance with these covenants. If Eversource or its subsidiaries were not in compliance with these covenants, an event of default would occur requiring all outstanding borrowings by such borrower to be repaid and additional borrowings by such borrower would not be permitted under its respective credit facility.

LONG-TERM DEBT

Details of long-term debt outstanding are as follows:

| CL&P (Millions of Dollars) | As of December 31, | |
|------------------------------------------------|--------------------|-------------------|
| | 2015 | 2014 |
| First Mortgage Bonds: | | |
| 7.875% 1994 Series D due 2024 | \$ 139.8 | \$ 139.8 |
| 5.750% 2004 Series B due 2034 | 130.0 | 130.0 |
| 5.000% 2005 Series A due 2015 | - | 100.0 |
| 5.625% 2005 Series B due 2035 | 100.0 | 100.0 |
| 6.350% 2006 Series A due 2036 | 250.0 | 250.0 |
| 5.375% 2007 Series A due 2017 | 150.0 | 150.0 |
| 5.750% 2007 Series B due 2037 | 150.0 | 150.0 |
| 5.750% 2007 Series C due 2017 | 100.0 | 100.0 |
| 6.375% 2007 Series D due 2037 | 100.0 | 100.0 |
| 5.650% 2008 Series A due 2018 | 300.0 | 300.0 |
| 5.500% 2009 Series A due 2019 | 250.0 | 250.0 |
| 2.500% 2013 Series A due 2023 | 400.0 | 400.0 |
| 4.300% 2014 Series A due 2044 | 250.0 | 250.0 |
| 4.150% 2015 Series A due 2045 | 350.0 | - |
| Total First Mortgage Bonds | 2,669.8 | 2,419.8 |
| Pollution Control Revenue Bonds: | | |
| 4.375% Fixed Rate Tax Exempt due 2028 | 120.5 | 120.5 |
| 1.550% Fixed Rate Tax Exempt due 2031 | - | 62.0 |
| Total Pollution Control Revenue Bonds | 120.5 | 182.5 |
| Pre-1983 Spent Nuclear Fuel Obligation | - | 244.5 |
| Less Amounts due Within One Year | - | (162.0) |
| Unamortized Premiums and Discounts, Net | (10.7) | (4.8) |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (15.9) | (15.8) |
| CL&P Long-Term Debt⁽¹⁾ | \$ 2,763.7 | \$ 2,664.2 |

| NSTAR Electric (Millions of Dollars) | As of December 31, | |
|-------------------------------------------------------------------------------|--------------------|-------------------|
| | 2015 | 2014 |
| Debentures: | | |
| 5.750% due 2036 | \$ 200.0 | \$ 200.0 |
| 5.625% due 2017 | 400.0 | 400.0 |
| 5.500% due 2040 | 300.0 | 300.0 |
| 2.375% due 2022 | 400.0 | 400.0 |
| Variable Rate due 2016 (0.6036% and 0.4721% as of December 31, 2015 and 2014) | 200.0 | 200.0 |
| 4.400% due 2044 | 300.0 | 300.0 |
| 3.250% due 2025 | 250.0 | - |
| Total Debentures | 2,050.0 | 1,800.0 |
| Bonds: | | |
| 7.375% Tax Exempt Sewage Facility Revenue Bonds, due 2015 | - | 4.7 |
| Less Amounts due Within One Year | (200.0) | (4.7) |
| Unamortized Premiums and Discounts, Net | (8.5) | (7.3) |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (11.7) | (11.2) |
| NSTAR Electric Long-Term Debt⁽¹⁾ | \$ 1,829.8 | \$ 1,781.5 |

| PSNH (Millions of Dollars) | As of December 31, | |
|------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| | 2015 | 2014 |
| First Mortgage Bonds: | | |
| 5.60% Series M due 2035 | \$ 50.0 | \$ 50.0 |
| 6.15% Series N due 2017 | 70.0 | 70.0 |
| 6.00% Series O due 2018 | 110.0 | 110.0 |
| 4.50% Series P due 2019 | 150.0 | 150.0 |
| 4.05% Series Q due 2021 | 122.0 | 122.0 |
| 3.20% Series R due 2021 | 160.0 | 160.0 |
| 3.50% Series S due 2023 | 325.0 | 325.0 |
| Total First Mortgage Bonds | 987.0 | 987.0 |
| Pollution Control Revenue Bonds: | | |
| Adjustable Rate Tax Exempt Series A due 2021 (0.193% and 0.175% as of December 31, 2015 and 2014) | 89.3 | 89.3 |
| Unamortized Premiums and Discounts, Net | 0.1 | - |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (5.4) | (6.3) |
| PSNH Long-Term Debt⁽¹⁾ | \$ 1,071.0 | \$ 1,070.0 |

| WMECO (Millions of Dollars) | As of December 31, | |
|------------------------------------------------|--------------------|----------|
| | 2015 | 2014 |
| Notes: | | |
| 5.90% Senior Notes Series B, due 2034 | \$ 50.0 | \$ 50.0 |
| 5.24% Senior Notes Series C, due 2015 | - | 50.0 |
| 6.70% Senior Notes Series D, due 2037 | 40.0 | 40.0 |
| 5.10% Senior Notes Series E, due 2020 | 95.0 | 95.0 |
| 3.50% Senior Notes Series F, due 2021 | 250.0 | 250.0 |
| 3.88% Senior Notes Series G, due 2023 | 80.0 | 80.0 |
| Total Notes | 515.0 | 565.0 |
| Pre-1983 Spent Nuclear Fuel Obligation | - | 57.4 |
| Less Amounts due Within One Year | - | (50.0) |
| Unamortized Premiums and Discounts, Net | 5.2 | 6.1 |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (2.9) | (3.3) |
| WMECO Long-Term Debt ⁽¹⁾ | \$ 517.3 | \$ 575.2 |

| OTHER (Millions of Dollars) | As of December 31, | |
|------------------------------------------------|--------------------|---------|
| | 2015 | 2014 |
| Yankee Gas - First Mortgage Bonds: | | |
| 8.48% Series B due 2022 | \$ 20.0 | \$ 20.0 |
| 5.26% Series H due 2019 | 50.0 | 50.0 |
| 5.35% Series I due 2035 | 50.0 | 50.0 |
| 6.90% Series J due 2018 | 100.0 | 100.0 |
| 4.87% Series K due 2020 | 50.0 | 50.0 |
| 4.82% Series L due 2044 | 100.0 | 100.0 |
| 3.35% Series M due 2025 | 75.0 | - |
| Total First Mortgage Bonds | 445.0 | 370.0 |
| Unamortized Premium | 0.4 | 0.6 |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (1.7) | (1.5) |
| Yankee Gas Long-Term Debt ⁽¹⁾ | 443.7 | 369.1 |

| | | |
|------------------------------------------------|-------|-------|
| NSTAR Gas - First Mortgage Bonds: | | |
| 9.95% Series J due 2020 | 25.0 | 25.0 |
| 7.11% Series K due 2033 | 35.0 | 35.0 |
| 7.04% Series M due 2017 | 25.0 | 25.0 |
| 4.46% Series N due 2020 | 125.0 | 125.0 |
| 4.35% Series O due 2045 | 100.0 | - |
| Total First Mortgage Bonds | 310.0 | 210.0 |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (0.8) | (0.6) |
| NSTAR Gas Long-Term Debt ⁽¹⁾ | 309.2 | 209.4 |

| | | |
|-------------------------------------------------------------|------------|------------|
| Eversource Parent - Notes and Debentures: | | |
| 4.50% Debentures due 2019 | 350.0 | 350.0 |
| 1.45% Senior Notes Series E due 2018 | 300.0 | 300.0 |
| 2.80% Senior Notes Series F due 2023 | 450.0 | 450.0 |
| 1.60% Senior Notes Series G due 2018 | 150.0 | - |
| 3.15% Senior Notes Series H due 2025 | 300.0 | - |
| Eversource Parent Commercial Paper Borrowings | - | 446.3 |
| Total Eversource Parent Notes and Debentures | 1,550.0 | 1,546.3 |
| Pre-1983 Spent Nuclear Fuel Obligation (CYAPC) | 179.5 | 179.4 |
| Fair Value Adjustment ⁽²⁾ | 173.5 | 202.3 |
| Less Fair Value Adjustment - Current Portion ⁽²⁾ | (28.9) | (28.9) |
| Unamortized Premiums and Discounts, Net | (1.3) | (1.2) |
| Unamortized Debt Issuance Costs ⁽¹⁾ | (1.9) | 1.1 |
| Total Other Long-Term Debt ⁽¹⁾ | \$ 2,623.8 | \$ 2,477.5 |
| Total Eversource Long-Term Debt ⁽¹⁾ | \$ 8,805.6 | \$ 8,568.4 |

(1) Effective December 31, 2015, the carrying amount of Long-Term Debt includes unamortized debt issuance costs presented as a direct reduction from the carrying amount of the debt liability, in accordance with new accounting guidance. The December 31, 2014 carrying amount of Long-Term Debt was retrospectively adjusted to conform to the current year presentation. See Note 1C, "Summary of Significant Accounting Policies – Accounting Standards," for further information.

(2) The fair value adjustment amount is the purchase price adjustment, net of amortization, required to record the NSTAR long-term debt at fair value on the date of the merger.

Long-Term Debt Issuances: On January 15, 2015, Eversource parent issued \$150 million of 1.60 percent Series G Senior Notes, due to mature in 2018, and \$300 million of 3.15 percent Series H Senior Notes, due to mature in 2025. As the debt proceeds, net of issuance costs, refinanced short-term debt, the short-term debt was classified as Long-Term Debt as of December 31, 2014. On May 20, 2015 and December 1, 2015, CL&P issued \$300 million and \$50 million, respectively, of 4.15 percent 2015 Series A First and Refunding Mortgage Bonds due to mature in 2045. On September 10, 2015, Yankee Gas issued \$75 million of 3.35 percent 2015 Series M First Mortgage Bonds due to mature in 2025. On November 18, 2015, NSTAR Electric issued \$250 million of 3.25 percent debentures, due to mature in 2025. On December 8, 2015, NSTAR Gas issued \$100

million of 4.35 percent Series O First Mortgage Bonds due to mature in 2045. The proceeds of all debt issuances, net of issuance costs, were used to repay short-term borrowings and fund capital expenditures and working capital.

Long-Term Debt Repayments: On April 1, 2015, CL&P repaid at maturity the \$100 million 5.00 percent 2005 Series A First and Refunding Mortgage Bonds and also redeemed the \$62 million 1996A Series 1.55 percent PCRBs that were subject to mandatory tender using short-term borrowings. On August 3, 2015, WMECO repaid at maturity the \$50 million 5.24 percent Series C Senior Notes, using short-term borrowings.

Long-Term Debt Issuance Authorizations: On November 25, 2015, PURA approved Yankee Gas' request to extend the authorization period for issuance of up to \$125 million in long-term debt from December 31, 2015 to December 31, 2016. On December 4, 2015, the DPU authorized WMECO to issue up to \$100 million in long-term debt for the period through December 31, 2016. On December 4, 2015, the DPU approved NSTAR Electric's request to extend the authorization period for issuance of up to \$250 million in long-term debt from December 31, 2015 to December 31, 2016.

Long-Term Debt Provisions: The utility plant of CL&P, PSNH, Yankee Gas and NSTAR Gas is subject to the lien of each company's respective first mortgage bond indenture. The Eversource parent, NSTAR Electric and WMECO debt is unsecured. Additionally, the long-term debt agreements provide that Eversource and certain of its subsidiaries must comply with certain covenants as are customarily included in such agreements, including a minimum equity requirement for NSTAR Gas. Under the minimum equity requirement, the outstanding long-term debt of NSTAR Gas must not exceed equity.

CL&P's obligation to repay the PCRBs is secured by first mortgage bonds. The first mortgage bonds contain similar terms and provisions as the applicable series of PCRBs. If CL&P fails to meet its obligations under the first mortgage bonds, then the holder of the first mortgage bonds (the issuer of the PCRBs) would have rights under the first mortgage bonds. CL&P's \$120.5 million tax-exempt PCRBs will be subject to redemption at par on or after September 1, 2021. All other long-term debt securities are subject to make-whole provisions.

PSNH's obligation to repay the PCRBs is secured by first mortgage bonds and bond insurance. The first mortgage bonds contain similar terms and provisions as the PCRBs. If PSNH fails to meet its obligations under the first mortgage bonds, then the holder of the first mortgage bonds (the issuer of the PCRBs) would have rights under the first mortgage bonds. The PSNH Series A tax-exempt PCRBs are currently callable at 100 percent of par. The PCRBs bear interest at a rate that is periodically set pursuant to auctions. PSNH is not obligated to purchase these PCRBs, which mature in 2021, from the remarketing agent.

Yankee Gas has certain long-term debt agreements that contain cross-default provisions. No other debt issuances contain cross-default provisions as of December 31, 2015.

Pre-1983 Spent Nuclear Fuel Obligation: Under the Nuclear Waste Policy Act of 1982, CL&P and WMECO were obligated to pay the DOE for the costs of disposal of pre-1983 spent nuclear fuel and high-level radioactive waste for the period prior to the sale of their ownership shares in the Millstone nuclear power stations, which were sold in March 2001. The DOE is responsible for the selection and development of repositories for, and the disposal of, spent nuclear fuel and high-level radioactive waste. After the sale of the Millstone nuclear power stations in March 2001, CL&P and WMECO remained responsible for their share of the disposal costs for nuclear fuel used to generate electricity prior to April 7, 1983 (pre-1983 Spent Nuclear Fuel) and recorded an accrual for the full liability thereof to the DOE. This liability accrued interest costs at the 3-month Treasury bill yield rate. As of December 31, 2014, CL&P and WMECO's pre-1983 Spent Nuclear Fuel obligation was \$244.5 million and \$57.4 million, respectively, which included accumulated interest costs of \$178 million for CL&P and \$41.8 million for WMECO.

In late 2015, CL&P and WMECO made payments of \$244.6 million and \$57.4 million, respectively, to fully satisfy their pre-1983 Spent Nuclear Fuel obligations to the DOE, which included accumulated interest of \$178 million and \$41.8 million, respectively. CL&P issued debt to fund its payment while WMECO liquidated its spent nuclear fuel trust.

In addition, as a result of consolidating CYAPC, Eversource has consolidated \$179.5 million and \$179.4 million, respectively, in additional pre-1983 spent nuclear fuel obligations to the DOE, which include accumulated interest costs of \$130.7 million and \$130.6 million as of December 31, 2015 and 2014, respectively. CYAPC maintains a trust to fund amounts due to the DOE for the disposal of pre-1983 spent nuclear fuel. For further information, see Note 5, "Marketable Securities," to the financial statements.

Long-Term Debt Maturities: Long-term debt maturities on debt outstanding for the years 2016 through 2020 and thereafter are shown below. These amounts exclude the CYAPC pre-1983 spent nuclear fuel obligation, net unamortized premiums, discounts and debt issuance costs, and other fair value adjustments as of December 31, 2015:

| (Millions of Dollars) | Eversource | CL&P | NSTAR Electric | PSNH | WMECO |
|-----------------------|------------|------------|----------------|------------|----------|
| 2016 | \$ 200.0 | \$ - | \$ 200.0 | \$ - | \$ - |
| 2017 | 745.0 | 250.0 | 400.0 | 70.0 | - |
| 2018 | 960.0 | 300.0 | - | 110.0 | - |
| 2019 | 800.0 | 250.0 | - | 150.0 | - |
| 2020 | 295.0 | - | - | - | 95.0 |
| Thereafter | 5,736.6 | 1,990.3 | 1,450.0 | 746.3 | 420.0 |
| Total | \$ 8,736.6 | \$ 2,790.3 | \$ 2,050.0 | \$ 1,076.3 | \$ 515.0 |

9. EMPLOYEE BENEFITS

A. Pension Benefits and Postretirement Benefits Other Than Pensions

As of December 31, 2014, Eversource Service sponsored two defined benefit retirement plans that covered eligible employees, including, among others, employees of CL&P, NSTAR Electric, PSNH and WMECO. Effective January 1, 2015, these two pension plans were merged into one plan, sponsored by Eversource Service (Pension Plan). The Pension Plan is subject to the provisions of ERISA, as amended by the PPA of 2006. Eversource's policy is to annually fund the Pension Plan in an amount at least equal to an amount that will satisfy all federal funding requirements. In addition to the Pension Plan, Eversource maintains non-qualified defined benefit retirement plans sponsored by Eversource Service (herein collectively referred to as the SERP Plans), which provide benefits in excess of Internal Revenue Code limitations to eligible current and retired participants.

As of December 31, 2014, Eversource Service also sponsored defined benefit postretirement plans that provided certain retiree benefits, primarily medical, dental and life insurance, to retired employees that met certain age and service eligibility requirements, including, among others, employees of CL&P, NSTAR Electric, PSNH and WMECO. Effective January 1, 2015, these postretirement plans were merged into one plan, sponsored by Eversource Service (PBOP Plan). Under certain circumstances, eligible retirees are required to contribute to the costs of postretirement benefits. The benefits provided under the PBOP Plan are not vested and the Company has the right to modify any benefit provision subject to applicable laws at that time. Eversource annually funds postretirement costs through tax deductible contributions to external trusts.

Because the Regulated companies recover the retiree benefit costs from customers through rates, regulatory assets are recorded in lieu of recording an adjustment to Accumulated Other Comprehensive Income/(Loss) for the funded status of the Pension, SERP and PBOP Plans. Regulatory accounting is also applied to the portions of the Eversource Service costs that support the Regulated companies, as these costs are also recovered from customers.

Adjustments to the Pension and PBOP Plans funded status for the unregulated companies are recorded on an after-tax basis to Accumulated Other Comprehensive Income/(Loss). For further information, see Note 2, "Regulatory Accounting," and Note 14, "Accumulated Other Comprehensive Income/(Loss)," to the financial statements.

For the year ended December 31, 2015, the difference between the actual return and calculated expected return on plan assets for the Pension and PBOP Plans are reflected as a component of unrecognized actuarial gains or losses, which are recorded in Regulatory Assets or Accumulated Other Comprehensive Income/(Loss). Unrecognized actuarial gains or losses are amortized as a component of pension and PBOP expense over the estimated average future employee service period.

Pension and SERP Plans: On January 1, 2014, NSTAR Electric & Gas was merged into Eversource Service (service company merger) and, concurrently, all employees were transferred to the company they predominantly provide services for: Eversource Service, NSTAR Electric or NSTAR Gas. As a result of these employee transfers, the pension and SERP assets and liabilities of NSTAR Electric & Gas were attributed by participant and transferred to the applicable operating company's balance sheets. This change had no impact on the income statement or net assets of NSTAR Electric or Eversource.

The Pension and SERP Plans are accounted for under the multiple-employer approach, with each operating company's balance sheet reflecting its share of the funded status of the plans. Although Eversource maintains marketable securities in a benefit trust, the SERP Plans do not contain any assets. For further information, see Note 5, "Marketable Securities," to the financial statements. The following tables provide information on the Pension and SERP Plan benefit obligations, fair values of Pension Plan assets, and funded status:

| Eversource (Millions of Dollars) | Pension and SERP | |
|-----------------------------------------------------------|--------------------|--------------|
| | As of December 31, | |
| | 2015 | 2014 |
| Change in Benefit Obligation | | |
| Benefit Obligation as of Beginning of Year | \$ (5,486.2) | \$ (4,676.5) |
| Service Cost | (91.4) | (79.9) |
| Interest Cost | (227.0) | (225.7) |
| Actuarial Gain/(Loss) | 331.5 | (739.6) |
| Benefits Paid - Pension | 238.5 | 230.3 |
| Benefits Paid - Lump Sum | 149.5 | - |
| Benefits Paid - SERP | 5.0 | 5.2 |
| Benefit Obligation as of End of Year | \$ (5,080.1) | \$ (5,486.2) |
| Change in Pension Plan Assets | | |
| Fair Value of Pension Plan Assets as of Beginning of Year | \$ 4,126.5 | \$ 3,985.9 |
| Employer Contributions | 154.6 | 171.6 |
| Actual Return on Pension Plan Assets | 12.3 | 199.3 |
| Benefits Paid | (238.5) | (230.3) |
| Benefits Paid - Lump Sum | (149.5) | - |
| Fair Value of Pension Plan Assets as of End of Year | \$ 3,905.4 | \$ 4,126.5 |
| Funded Status as of December 31 st | \$ (1,174.7) | \$ (1,359.7) |

Pension and SERP

| | As of December 31, 2015 | | | | As of December 31, 2014 | | | |
|-----------------------------------------------------------|-------------------------|----------------|------------|------------|-------------------------|----------------|------------|------------|
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| <i>(Millions of Dollars)</i> | | | | | | | | |
| Change in Benefit Obligation | | | | | | | | |
| Benefit Obligation as of Beginning of Year | \$ (1,230.1) | \$ (982.6) | \$ (580.7) | \$ (249.4) | \$ (1,083.4) | \$ (1,353.3) | \$ (529.0) | \$ (223.9) |
| Change due to transfer of employees | (4.6) | 6.2 | (1.9) | (1.3) | 26.4 | 479.9 | 32.2 | 6.2 |
| Service Cost | (24.7) | (14.9) | (12.1) | (4.3) | (20.2) | (13.6) | (9.7) | (3.5) |
| Interest Cost | (51.1) | (40.2) | (24.3) | (10.4) | (50.5) | (41.3) | (23.8) | (10.3) |
| Actuarial Gain/(Loss) | 77.8 | 34.1 | 38.9 | 12.6 | (161.0) | (107.0) | (73.3) | (29.8) |
| Benefits Paid - Pension | 60.2 | 47.6 | 23.2 | 12.7 | 58.3 | 52.4 | 22.8 | 11.9 |
| Benefits Paid - Lump Sum | 14.5 | - | 9.1 | 2.5 | - | - | - | - |
| Benefits Paid - SERP | 0.4 | 0.1 | 0.2 | - | 0.3 | 0.3 | 0.1 | - |
| Benefit Obligation as of End of Year | \$ (1,157.6) | \$ (949.7) | \$ (547.6) | \$ (237.6) | \$ (1,230.1) | \$ (982.6) | \$ (580.7) | \$ (249.4) |
| Change in Pension Plan Assets | | | | | | | | |
| Fair Value of Pension Plan Assets as of Beginning of Year | \$ 980.8 | \$ 879.0 | \$ 498.4 | \$ 234.0 | \$ 1,016.3 | \$ 1,235.3 | \$ 528.6 | \$ 240.4 |
| Change due to transfer of employees | 4.6 | (6.2) | 1.9 | 1.3 | (26.4) | (441.4) | (32.2) | (6.2) |
| Employer Contributions | - | 5.0 | 1.0 | - | - | 101.0 | - | - |
| Actual Return on Pension Plan Assets | 2.8 | 2.7 | 1.5 | 0.7 | 49.2 | 36.5 | 24.8 | 11.7 |
| Benefits Paid | (60.2) | (47.6) | (23.2) | (12.7) | (58.3) | (52.4) | (22.8) | (11.9) |
| Benefits Paid - Lump Sum | (14.5) | - | (9.1) | (2.5) | - | - | - | - |
| Fair Value of Pension Plan Assets as of End of Year | \$ 913.5 | \$ 832.9 | \$ 470.5 | \$ 220.8 | \$ 980.8 | \$ 879.0 | \$ 498.4 | \$ 234.0 |
| Funded Status as of December 31 st | \$ (244.1) | \$ (116.8) | \$ (77.1) | \$ (16.8) | \$ (249.3) | \$ (103.6) | \$ (82.3) | \$ (15.4) |

In August 2015, Eversource made a total lump-sum payout of \$149.5 million, which reduced the projected benefit obligation and Pension Plan assets by a corresponding amount. Therefore, the lump-sum payment had no impact on the net Accrued Pension Liability reflected on the Eversource, CL&P, PSNH and WMECO balance sheets as of December 31, 2015.

During 2014, the Society of Actuaries released a series of updated mortality tables resulting from studies that measured mortality rates for various groups of individuals. The updated mortality tables released in 2014 increased the life expectancy of plan participants by three to five years and had the effect of increasing the estimated benefits to be provided to plan participants. The impact of adopting the updated mortality tables on Eversource's liability as of December 31, 2014 was an increase of approximately \$340 million. In 2015, a revised scale for the mortality table was released having the effect of decreasing the estimate of benefits to be provided to plan participants. The impact of the adoption of the new mortality scale resulted in a decrease of \$48 million on Eversource's liability as of December 31, 2015.

The increase in the discount rate used to calculate the funded status resulted in a decrease on Eversource's liability of approximately \$267 million as of December 31, 2015. Decreases in the discount rates resulted in an increase on Eversource's liability of approximately \$530 million as of December 31, 2014.

The pension and SERP Plans' funded status includes the current portion of the SERP liability, which is included in Other Current Liabilities on the accompanying balance sheets.

As of December 31, 2015 and 2014, the accumulated benefit obligation for the Pension and SERP Plans is as follows:

| <i>(Millions of Dollars)</i> | Eversource | CL&P | NSTAR Electric | PSNH | WMECO |
|------------------------------|------------|------------|----------------|----------|----------|
| 2015 | \$ 4,733.2 | \$ 1,062.7 | \$ 888.8 | \$ 506.4 | \$ 222.3 |
| 2014 | 5,000.1 | 1,101.4 | 910.4 | 524.5 | 226.4 |

The following actuarial assumptions were used in calculating the Pension and SERP Plans' year end funded status:

| | Pension and SERP | |
|-------------------------------|--------------------|--------|
| | As of December 31, | |
| | 2015 | 2014 |
| Discount Rate | 4.21 % - 4.60 % | 4.20 % |
| Compensation/Progression Rate | 3.50 % | 3.50 % |

Pension and SERP Expense: Eversource charges net periodic pension expense to its subsidiaries based on the actual participant demographic data for each subsidiary's participants. The actual investment return in the trust is allocated to each of the subsidiaries annually in proportion to the investment return expected to be earned during the year. For the year ended December 31, 2013 (prior to the service company merger), the net periodic pension expense recorded at NSTAR Electric represented the full cost of the plan with a portion of the costs allocated to affiliated companies based on participant demographic data.

The components of net periodic benefit expense for the Pension and SERP Plans are shown below. The net periodic benefit expense and the intercompany allocations less the capitalized portion of pension and SERP amounts are included in Operations and Maintenance expense on the statements of income. Capitalized pension amounts relate to employees working on capital projects and are included in Property, Plant and Equipment, Net on the balance sheets. Pension and SERP expense reflected in the statements of cash flows for CL&P, NSTAR Electric, PSNH and WMECO does not include the intercompany allocations or the corresponding capitalized portion, as these amounts are cash settled on a short-term basis.

| | Pension and SERP | | | | |
|----------------------------------------|--------------------------------------|---------|----------|---------------------|--------|
| | For the Year Ended December 31, 2015 | | | | |
| | NSTAR | | | | |
| (Millions of Dollars) | Eversource ⁽¹⁾ | CL&P | Electric | PSNH ⁽¹⁾ | WMECO |
| Service Cost | \$ 91.4 | \$ 24.7 | \$ 14.9 | \$ 12.1 | \$ 4.3 |
| Interest Cost | 227.0 | 51.1 | 40.2 | 24.3 | 10.4 |
| Expected Return on Pension Plan Assets | (335.9) | (78.9) | (70.0) | (40.4) | (18.9) |
| Actuarial Loss | 148.5 | 32.2 | 35.8 | 11.6 | 6.4 |
| Prior Service Cost/(Credit) | 3.7 | 1.5 | (0.1) | 0.5 | 0.3 |
| Total Net Periodic Benefit Expense | \$ 134.7 | \$ 30.6 | \$ 20.8 | \$ 8.1 | \$ 2.5 |
| Intercompany Allocations | N/A | \$ 22.5 | \$ 13.6 | \$ 6.7 | \$ 4.4 |
| Capitalized Pension Expense | \$ 41.0 | \$ 18.8 | \$ 11.4 | \$ 3.5 | \$ 1.9 |

| | Pension and SERP | | | | |
|----------------------------------------|--------------------------------------|---------|----------|--------|--------|
| | For the Year Ended December 31, 2014 | | | | |
| | NSTAR | | | | |
| (Millions of Dollars) | Eversource | CL&P | Electric | PSNH | WMECO |
| Service Cost | \$ 79.9 | \$ 20.2 | \$ 13.6 | \$ 9.7 | \$ 3.5 |
| Interest Cost | 225.7 | 50.5 | 41.3 | 23.8 | 10.3 |
| Expected Return on Pension Plan Assets | (310.8) | (75.4) | (63.0) | (38.1) | (17.9) |
| Actuarial Loss | 128.4 | 33.7 | 23.5 | 11.6 | 6.9 |
| Prior Service Cost | 4.4 | 1.8 | - | 0.7 | 0.4 |
| Total Net Periodic Benefit Expense | \$ 127.6 | \$ 30.8 | \$ 15.4 | \$ 7.7 | \$ 3.2 |
| Intercompany Allocations | N/A | \$ 26.7 | \$ 10.4 | \$ 7.6 | \$ 5.1 |
| Capitalized Pension Expense | \$ 35.2 | \$ 17.6 | \$ 7.9 | \$ 3.0 | \$ 2.4 |

| | Pension and SERP | | | | |
|----------------------------------------|--------------------------------------|---------|-------------------------|---------|--------|
| | For the Year Ended December 31, 2013 | | | | |
| | NSTAR | | | | |
| (Millions of Dollars) | Eversource | CL&P | Electric ⁽²⁾ | PSNH | WMECO |
| Service Cost | \$ 102.3 | \$ 24.9 | \$ 33.1 | \$ 13.1 | \$ 4.7 |
| Interest Cost | 206.7 | 48.3 | 58.0 | 23.6 | 10.0 |
| Expected Return on Pension Plan Assets | (278.1) | (73.8) | (84.4) | (35.4) | (17.4) |
| Actuarial Loss | 210.5 | 55.9 | 58.1 | 21.6 | 11.8 |
| Prior Service Cost/(Credit) | 4.0 | 1.8 | (0.3) | 0.7 | 0.4 |
| Total Net Periodic Benefit Expense | \$ 245.4 | \$ 57.1 | \$ 64.5 | \$ 23.6 | \$ 9.5 |
| Intercompany Allocations | N/A | \$ 44.9 | \$ (8.4) | \$ 10.5 | \$ 8.0 |
| Capitalized Pension Expense | \$ 73.2 | \$ 28.0 | \$ 28.9 | \$ 7.3 | \$ 5.2 |

(1) Amounts exclude \$3.2 million for the year ended December 31, 2015 that represent amounts included in other deferred debits.

(2) NSTAR Electric's allocated expense associated with the NSTAR SERP was \$3.2 million for the year ended December 31, 2013 and was not included in the NSTAR Electric amounts in the table above. For the years ended December 31, 2015 and 2014, the SERP amount is now allocated to NSTAR Electric due to the service company merger.

The following actuarial assumptions were used to calculate Pension and SERP expense amounts:

| | Pension and SERP | | | |
|-----------------------------------|----------------------------------|-----------------|--------|--------|
| | For the Years Ended December 31, | | | |
| | 2015 | 2014 | 2013 | |
| Discount Rate | 4.20% | 4.85 % - 5.03 % | 4.13 % | 4.24 % |
| Expected Long-Term Rate of Return | 8.25 % | 8.25 % | 8.25% | |
| Compensation/Progression Rate | 3.50 % | 3.50 % - 4.00 % | 3.50 % | 4.00 % |

The following is a summary of the changes in plan assets and benefit obligations recognized in Regulatory Assets and Other Comprehensive Income (OCI) as well as amounts in Regulatory Assets and OCI that were reclassified as net periodic benefit expense during the years presented:

| | Regulatory Assets | | OCI | |
|-----------------------------------------------------------------|----------------------------------|----------|----------|---------|
| | For the Years Ended December 31, | | | |
| (Millions of Dollars) | 2015 | 2014 | 2015 | 2014 |
| Actuarial (Gains)/Losses Arising During the Year | \$ (2.0) | \$ 797.3 | \$ (6.2) | \$ 55.9 |
| Actuarial Losses Reclassified as Net Periodic Benefit Expense | (142.3) | (122.8) | (6.2) | (5.6) |
| Prior Service Cost Reclassified as Net Periodic Benefit Expense | (3.5) | (4.2) | (0.2) | (0.2) |

The following is a summary of the remaining Regulatory Assets and Accumulated Other Comprehensive Loss amounts that have not been recognized as components of net periodic benefit expense as of December 31, 2015 and 2014, as well as the amounts that are expected to be recognized as components in 2016:

| | Regulatory Assets as of December 31, | | Expected 2016 Expense | AOCI as of December 31, | | Expected 2016 Expense |
|-----------------------|--------------------------------------|------------|-----------------------|-------------------------|---------|-----------------------|
| | 2015 | 2014 | | 2015 | 2014 | |
| (Millions of Dollars) | | | | | | |
| Actuarial Loss | \$ 1,667.6 | \$ 1,811.9 | \$ 120.6 | \$ 81.1 | \$ 93.5 | \$ 5.4 |
| Prior Service Cost | 9.7 | 13.2 | 3.4 | 0.6 | 0.8 | 0.2 |

PBOP Plan: On January 1, 2014, concurrent with the service company merger, the PBOP assets and liabilities of NSTAR Electric & Gas were attributed by participant and transferred to the applicable operating company's balance sheets. This change had no impact on the income statements or net assets of NSTAR Electric or Eversource. The PBOP Plan is accounted for under the multiple-employer approach, with each operating company's balance sheet reflecting its share of the funded status of the plan. The following tables provide information on the PBOP Plan benefit obligations, fair values of plan assets, and funded status:

| Eversource | PBOP | |
|---------------------------------------------------|--------------------|--------------|
| | As of December 31, | |
| | 2015 | 2014 |
| (Millions of Dollars) | | |
| Change in Benefit Obligation | | |
| Benefit Obligation as of Beginning of Year | \$ (1,147.9) | \$ (1,038.0) |
| Service Cost | (16.3) | (12.5) |
| Interest Cost | (47.2) | (49.5) |
| Actuarial Gain/(Loss) | 106.0 | (95.5) |
| Benefits Paid | 54.0 | 47.6 |
| Benefit Obligation as of End of Year | \$ (1,051.4) | \$ (1,147.9) |
| Change in Plan Assets | | |
| Fair Value of Plan Assets as of Beginning of Year | \$ 862.6 | \$ 826.5 |
| Actual Return on Plan Assets | (4.3) | 43.7 |
| Employer Contributions | 7.9 | 40.0 |
| Benefits Paid | (54.0) | (47.6) |
| Fair Value of Plan Assets as of End of Year | \$ 812.2 | \$ 862.6 |
| Funded Status as of December 31 st | \$ (239.2) | \$ (285.3) |

| | PBOP | | | | | | | |
|---------------------------------------------------|--------------------|----------------|-----------|-----------|------------|----------------|-----------|-----------|
| | As of December 31, | | | | | | | |
| | 2015 | | | | 2014 | | | |
| (Millions of Dollars) | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Change in Benefit Obligation | | | | | | | | |
| Benefit Obligation as of Beginning of Year | \$ (173.9) | \$ (468.7) | \$ (91.8) | \$ (36.6) | \$ (180.4) | \$ - | \$ (93.5) | \$ (38.7) |
| Change due to transfer of employees | 0.1 | 2.3 | (0.3) | - | 3.7 | (395.5) | 4.3 | 1.0 |
| Service Cost | (2.1) | (5.4) | (1.4) | (0.4) | (2.2) | (3.1) | (1.3) | (0.4) |
| Interest Cost | (7.2) | (19.0) | (3.9) | (1.5) | (8.1) | (19.4) | (4.3) | (1.7) |
| Actuarial Gain/(Loss) | 7.2 | 59.1 | 3.6 | 1.5 | 3.5 | (68.6) | (1.1) | 1.3 |
| Benefits Paid | 11.9 | 18.9 | 5.3 | 2.6 | 9.6 | 17.9 | 4.1 | 1.9 |
| Benefit Obligation as of End of Year | \$ (164.0) | \$ (412.8) | \$ (88.5) | \$ (34.4) | \$ (173.9) | \$ (468.7) | \$ (91.8) | \$ (36.6) |
| Change in Plan Assets | | | | | | | | |
| Fair Value of Plan Assets as of Beginning of Year | \$ 149.0 | \$ 336.5 | \$ 80.9 | \$ 34.4 | \$ 151.3 | \$ - | \$ 81.8 | \$ 35.3 |
| Change due to transfer of employees | - | 0.6 | 0.2 | - | (3.2) | 316.7 | (3.1) | (1.0) |
| Actual Return on Plan Assets | (0.4) | (2.8) | - | (0.1) | 6.3 | 18.4 | 3.8 | 1.6 |
| Employer Contributions | - | 4.9 | - | - | 4.2 | 19.3 | 2.5 | 0.4 |
| Benefits Paid | (11.9) | (18.9) | (5.3) | (2.6) | (9.6) | (17.9) | (4.1) | (1.9) |
| Fair Value of Plan Assets as of End of Year | \$ 136.7 | \$ 320.3 | \$ 75.8 | \$ 31.7 | \$ 149.0 | \$ 336.5 | \$ 80.9 | \$ 34.4 |
| Funded Status as of December 31 st | \$ (27.3) | \$ (92.5) | \$ (12.7) | \$ (2.7) | \$ (24.9) | \$ (132.2) | \$ (10.9) | \$ (2.2) |

During 2014, the Society of Actuaries released a series of updated mortality tables resulting from studies that measured mortality rates for various groups of individuals. The updated mortality tables released in 2014 increased the life expectancy of plan participants by three to five years and had the effect of increasing the estimated benefits to be provided to plan participants. The impact of adopting the updated mortality tables on Eversource's liability as of December 31, 2014 was an increase of approximately \$82 million. In 2015, a revised scale for the mortality table was released having the effect of decreasing the estimate of benefits to be provided to plan participants. The impact of the adoption of the new mortality scale resulted in a decrease of \$23 million on Eversource's liability as of December 31, 2015.

The increase in the discount rate used to calculate the funded status resulted in a decrease on Eversource's liability of approximately \$60 million as of December 31, 2015. Decreases in the discount rates resulted in an increase on Eversource's liability of approximately \$110 million as of December 31, 2014.

The following actuarial assumptions were used in calculating the PBOP Plan's year end funded status:

| | PBOP | |
|-----------------------------|--------------------|--------|
| | As of December 31, | |
| | 2015 | 2014 |
| Discount Rate | 4.62 % | 4.22 % |
| Health Care Cost Trend Rate | 6.25 % | 6.50 % |

PBOP Expense: Eversource charges net periodic postretirement benefits expense to its subsidiaries based on the actual participant demographic data for each subsidiary's participants. The actual investment return in the trust each year is allocated to each of the subsidiaries annually in proportion to the investment return expected to be earned during the year. For the year ended December 31, 2013 (prior to the service company merger), the net periodic postretirement expense of the NSTAR PBOP Plan allocated to NSTAR Electric was \$4.6 million.

The components of net periodic benefit expense for the PBOP Plan are shown below. The net periodic benefit expense and the intercompany allocations less the capitalized portion of PBOP are included in Operations and Maintenance on the statements of income. Capitalized PBOP amounts relate to employees working on capital projects and are included in Property, Plant and Equipment, Net on the balance sheets. PBOP expense reflected in the statements of cash flows for CL&P, NSTAR Electric, PSNH and WMECO does not include the intercompany allocations or the corresponding capitalized portion, as these amounts are cash settled on a short-term basis.

| | PBOP | | | | | |
|---------------------------------------------|--------------------------------------|----------|----------------|----------|----------|--|
| | For the Year Ended December 31, 2015 | | | | | |
| | Eversource | CL&P | NSTAR Electric | PSNH | WMECO | |
| (Millions of Dollars) | | | | | | |
| Service Cost | \$ 16.3 | \$ 2.1 | \$ 5.4 | \$ 1.4 | \$ 0.4 | |
| Interest Cost | 47.2 | 7.2 | 19.0 | 3.9 | 1.5 | |
| Expected Return on Plan Assets | (67.4) | (11.1) | (27.3) | (6.0) | (2.5) | |
| Actuarial Loss | 6.8 | 0.7 | 2.3 | 0.5 | - | |
| Prior Service Credit | (0.5) | - | (0.2) | - | - | |
| Total Net Periodic Benefit Expense/(Income) | \$ 2.4 | \$ (1.1) | \$ (0.8) | \$ (0.2) | \$ (0.6) | |
| Intercompany Allocations | N/A | \$ 1.9 | \$ 0.8 | \$ 0.4 | \$ 0.3 | |
| Capitalized PBOP Expense/(Income) | \$ 0.1 | \$ (0.2) | \$ (0.2) | \$ 0.2 | \$ (0.2) | |

| | PBOP | | | | | |
|---------------------------------------------|--------------------------------------|--------|----------------|--------|--------|--|
| | For the Year Ended December 31, 2014 | | | | | |
| | Eversource | CL&P | NSTAR Electric | PSNH | WMECO | |
| (Millions of Dollars) | | | | | | |
| Service Cost | \$ 12.5 | \$ 2.2 | \$ 3.1 | \$ 1.3 | \$ 0.4 | |
| Interest Cost | 49.5 | 8.1 | 19.4 | 4.3 | 1.7 | |
| Expected Return on Plan Assets | (63.3) | (10.5) | (25.9) | (5.4) | (2.3) | |
| Actuarial Loss/(Gain) | 12.2 | 4.2 | (0.5) | 2.2 | 0.5 | |
| Prior Service Credit | (2.8) | - | (1.9) | - | - | |
| Total Net Periodic Benefit Expense/(Income) | \$ 8.1 | \$ 4.0 | \$ (5.8) | \$ 2.4 | \$ 0.3 | |
| Intercompany Allocations | N/A | \$ 3.8 | \$ 0.8 | \$ 1.0 | \$ 0.7 | |
| Capitalized PBOP Expense/(Income) | \$ 1.4 | \$ 1.8 | \$ (2.3) | \$ 0.8 | \$ 0.2 | |

| | PBOP | | | | |
|------------------------------------|--------------------------------------|--------|--------|--------|--|
| | For the Year Ended December 31, 2013 | | | | |
| | Eversource | CL&P | PSNH | WMECO | |
| (Millions of Dollars) | | | | | |
| Service Cost | \$ 16.9 | \$ 3.4 | \$ 2.3 | \$ 0.7 | |
| Interest Cost | 47.2 | 7.9 | 4.0 | 1.7 | |
| Expected Return on Plan Assets | (55.4) | (10.1) | (5.2) | (2.3) | |
| Actuarial Loss | 26.0 | 7.4 | 3.6 | 1.1 | |
| Prior Service Credit | (2.1) | - | - | - | |
| Total Net Periodic Benefit Expense | \$ 32.6 | \$ 8.6 | \$ 4.7 | \$ 1.2 | |
| Intercompany Allocations | N/A | \$ 7.1 | \$ 1.6 | \$ 1.3 | |
| Capitalized PBOP Expense | \$ 8.8 | \$ 3.9 | \$ 1.3 | \$ 0.6 | |

The following actuarial assumptions were used to calculate PBOP expense amounts:

| | PBOP | | | | | |
|-----------------------------------|----------------------------------|--------|--------|--------|---|--------|
| | For the Years Ended December 31, | | | | | |
| | 2015 | 2014 | 2013 | | | |
| Discount Rate | 4.22 % | 4.78 % | 5.10 % | 4.04 % | - | 4.35 % |
| Expected Long-Term Rate of Return | 8.25 % | 8.25 % | | 8.25% | | |

As of December 31, 2015 and 2014, the health care cost trend rate assumptions used to determine the PBOP Plan's funded status was 6.25 percent and 6.5 percent, respectively, subsequently decreasing to an ultimate rate of 4.5 percent in 2023. The health care cost trend rate assumption used to calculate the PBOP expense amount was 6.5 percent for the year ended December 31, 2015.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The effect of changing the assumed health care cost trend rate by one percentage point for the year ended December 31, 2015 would have the following effects:

| (Millions of Dollars) | One Percentage Point Increase | One Percentage Point Decrease |
|------------------------------------------------------|----------------------------------|----------------------------------|
| Effect on PBOP Obligation | \$ 115.3 | \$ (90.8) |
| Effect on Total Service and Interest Cost Components | 8.5 | (6.3) |

The following is a summary of the changes in plan assets and benefit obligations recognized in Regulatory Assets and OCI as well as amounts recognized in Regulatory Assets and OCI that were reclassified as net periodic benefit (expense)/income during the years presented:

| (Millions of Dollars) | Regulatory Assets | | OCI | |
|------------------------------------------------------------------|----------------------------------|----------|--------|--------|
| | For the Years Ended December 31, | | | |
| | 2015 | 2014 | 2015 | 2014 |
| Actuarial (Gains)/Losses Arising During the Year | \$ (34.1) | \$ 115.1 | \$ 0.7 | \$ 0.4 |
| Actuarial Losses Reclassified as Net Periodic Benefit Expense | (6.4) | (11.6) | (0.4) | (0.6) |
| Prior Service Credit Reclassified as Net Periodic Benefit Income | 0.5 | 2.8 | - | - |

The following is a summary of the remaining Regulatory Assets and Accumulated Other Comprehensive Loss amounts that have not been recognized as components of net periodic benefit expense as of December 31, 2015 and 2014, as well as the amounts that are expected to be recognized as components in 2016:

| (Millions of Dollars) | Regulatory Assets as of December 31, | | Expected 2016 | AOCI as of December 31, | | Expected 2016 |
|-----------------------|-----------------------------------------|-------|------------------|----------------------------|------|------------------|
| | 2015 | 2014 | Expense | 2015 | 2014 | Expense |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Actuarial Loss | 152.2 | 192.7 | 4.0 | 6.3 | 6.0 | 0.4 |
| Prior Service Credit | (1.3) | (1.8) | (0.2) | - | - | - |

Estimated Future Benefit Payments: The following benefit payments, which reflect expected future service, are expected to be paid by the Pension, SERP and PBOP Plans:

| (Millions of Dollars) | 2016 | 2017 | 2018 | 2019 | 2020 | 2021-2025 |
|-----------------------|----------|----------|----------|----------|----------|------------|
| Pension and SERP | \$ 253.5 | \$ 272.9 | \$ 273.9 | \$ 283.7 | \$ 292.7 | \$ 1,604.3 |
| PBOP | 60.8 | 61.2 | 61.4 | 61.8 | 62.4 | 315.4 |

Eversource Contributions: Eversource contributed \$154.6 million to the Pension Plan in 2015, of which \$5 million was contributed by NSTAR Electric, \$1 million by PSNH and the remainder by other Eversource subsidiaries, primarily Eversource Service. Based on the current status of the Pension Plan and federal pension funding requirements, although not required to make a minimum pension contribution in 2016, Eversource currently expects to make contributions of approximately \$146 million in 2016, of which \$21 million will be contributed by NSTAR Electric and \$17 million by PSNH. The remaining \$108 million is expected to be contributed by other Eversource subsidiaries, primarily Eversource Service.

Eversource contributed \$7.9 million to the PBOP Plan in 2015, of which \$4.9 million was contributed by NSTAR Electric. Eversource expects to make approximately \$9.5 million in contributions in 2016.

Fair Value of Pension and PBOP Plan Assets: Pension and PBOP funds are held in external trusts. Trust assets, including accumulated earnings, must be used exclusively for Pension and PBOP payments. Eversource's investment strategy for its Pension and PBOP Plans is to maximize the long-term rates of return on these plans' assets within an acceptable level of risk. The investment strategy for each asset category includes a diversification of asset types, fund strategies and fund managers and it establishes target asset allocations that are routinely reviewed and periodically rebalanced. PBOP assets are comprised of assets held in the PBOP Plan as well as specific assets within the defined benefit pension plan trust (401(h) assets). The investment policy and strategy of the 401(h) assets is consistent with that of the defined benefit pension plan. Eversource's expected long-term rates of return on Pension and PBOP Plan assets are based on target asset allocation assumptions and related expected long-term rates of return. In developing its expected long-term rate of return assumptions for the Pension and PBOP Plans, Eversource evaluated input from consultants, as well as long-term inflation assumptions and historical returns. For the year ended December 31, 2015, management has assumed long-term rates of return of 8.25 percent for the Pension and PBOP Plan assets. These long-term rates of return are based on the assumed rates of return for the target asset allocations as follows:

| | As of December 31, 2015 | | As of December 31, 2014 | |
|------------------------------|-----------------------------------------------------|------------------------|-----------------------------------------------------|------------------------|
| | Pension Plan and Tax-Exempt Assets Within PBOP Plan | | Pension Plan and Tax-Exempt Assets Within PBOP Plan | |
| | Target Asset Allocation | Assumed Rate of Return | Target Asset Allocation | Assumed Rate of Return |
| Equity Securities: | | | | |
| United States | 22% | 8.5% | 24% | 9% |
| International | 13% | 8.5% | 10% | 9% |
| Emerging Markets | 5% | 10% | 6% | 10% |
| Private Equity | 12% | 12% | 10% | 13% |
| Debt Securities: | | | | |
| Fixed Income | 12% | 4.5% | 15% | 5% |
| High Yield Fixed Income | 13% | 8.5% | 9% | 7.5% |
| Emerging Markets Debt | 5% | 7.5% | 6% | 7.5% |
| Real Estate and Other Assets | 10% | 7.5% | 9% | 7.5% |
| Hedge Funds | 8% | 7% | 11% | 7% |

The taxable assets within the PBOP Plan have a target asset allocation of 70 percent equity securities and 30 percent fixed income securities.

The following table presents, by asset category, the Pension and PBOP Plan assets recorded at fair value on a recurring basis by the level in which they are classified within the fair value hierarchy:

| (Millions of Dollars) | Pension Plan | | | | | | | |
|-----------------------------------------|--------------------------------------------|------------|------------|------------|----------|------------|------------|------------|
| | Fair Value Measurements as of December 31, | | | | | | | |
| | 2015 | | | | 2014 | | | |
| Asset Category: | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Equity Securities ⁽¹⁾ | \$ 396.5 | \$ 985.7 | \$ 305.2 | \$ 1,687.4 | \$ 414.7 | \$ 1,035.0 | \$ 292.2 | \$ 1,741.9 |
| Private Equity | 7.6 | - | 464.7 | 472.3 | 18.8 | - | 367.9 | 386.7 |
| Fixed Income ⁽²⁾ | - | 432.0 | 784.8 | 1,216.8 | 10.2 | 561.4 | 722.0 | 1,293.6 |
| Real Estate and Other Assets | - | 117.5 | 260.3 | 377.8 | - | 132.0 | 265.8 | 397.8 |
| Hedge Funds | - | 49.7 | 290.8 | 340.5 | - | 20.0 | 475.0 | 495.0 |
| Total | \$ 404.1 | \$ 1,584.9 | \$ 2,105.8 | \$ 4,094.8 | \$ 443.7 | \$ 1,748.4 | \$ 2,122.9 | \$ 4,315.0 |
| Less: 401(h) PBOP Assets ⁽³⁾ | | | | (189.4) | | | | (188.5) |
| Total Pension Assets | | | | \$ 3,905.4 | | | | \$ 4,126.5 |

| (Millions of Dollars) | PBOP Plan | | | | | | | |
|----------------------------------------|--------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | Fair Value Measurements as of December 31, | | | | | | | |
| | 2015 | | | | 2014 | | | |
| Asset Category: | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Equity Securities ⁽¹⁾ | \$ 109.7 | \$ 121.6 | \$ 77.8 | \$ 309.1 | \$ 104.1 | \$ 172.8 | \$ 75.1 | \$ 352.0 |
| Private Equity | - | - | 32.9 | 32.9 | - | - | 24.9 | 24.9 |
| Fixed Income ⁽²⁾ | 9.7 | 99.9 | 81.6 | 191.2 | 16.1 | 110.0 | 78.3 | 204.4 |
| Real Estate and Other Assets | - | 17.0 | 20.4 | 37.4 | - | 19.4 | 15.0 | 34.4 |
| Hedge Funds | - | - | 52.2 | 52.2 | - | - | 58.4 | 58.4 |
| Total | \$ 119.4 | \$ 238.5 | \$ 264.9 | \$ 622.8 | \$ 120.2 | \$ 302.2 | \$ 251.7 | \$ 674.1 |
| Add: 401(h) PBOP Assets ⁽³⁾ | | | | 189.4 | | | | 188.5 |
| Total PBOP Assets | | | | \$ 812.2 | | | | \$ 862.6 |

- (1) United States, International and Emerging Markets equity securities classified as Level 2 include investments in commingled funds. Level 3 investments include hedge funds that are overlayed with equity index swaps and futures contracts and funds invested in equities that have redemption restrictions.
- (2) Fixed Income investments classified as Level 3 investments include fixed income funds that invest in a variety of opportunistic fixed income strategies, and hedge funds that are overlayed with fixed income futures.
- (3) The assets of the Pension Plan include a 401(h) account that has been allocated to provide health and welfare postretirement benefits under the PBOP Plan.

The Company values assets based on observable inputs when available. Equity securities, exchange traded funds and futures contracts classified as Level 1 in the fair value hierarchy are priced based on the closing price on the primary exchange as of the balance sheet date. Commingled funds included in Level 2 equity securities are recorded at the net asset value provided by the asset manager, which is based on the market prices of the underlying equity securities. Swaps are valued using pricing models that incorporate interest rates and equity and fixed income index closing prices to determine a net present value of the cash flows. Fixed income securities, such as government issued securities, corporate bonds and high yield bond funds, are included in Level 2 and are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The pricing models utilize observable inputs such as recent trades for the same or similar instruments, yield curves, discount margins and bond structures. Hedge funds and investments in opportunistic fixed income funds are recorded at net asset value based on the values of the underlying assets. The assets in the hedge funds and opportunistic fixed income funds are valued using observable inputs and are classified as Level 3 within the fair value hierarchy due to redemption restrictions. Private Equity investments and Real Estate and Other Assets are valued using the net asset value provided by the partnerships, which are based on discounted cash flows of the underlying investments, real estate appraisals or public market comparables of the underlying investments. These investments are classified as Level 3 due to redemption restrictions.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3): The following tables present changes in the Level 3 category of Eversource's Pension and PBOP Plan assets for the years ended December 31, 2015 and 2014:

| Pension Plan | | | | | | |
|------------------------------------------------|-------------------|----------------|--------------|------------------------------|-------------|------------|
| (Millions of Dollars) | Equity Securities | Private Equity | Fixed Income | Real Estate and Other Assets | Hedge Funds | Total |
| Balance as of January 1, 2014 | \$ 255.5 | \$ 300.3 | \$ 589.5 | \$ 288.5 | \$ 416.9 | \$ 1,850.7 |
| Actual Return/(Loss) on Plan Assets: | | | | | | |
| Relating to Assets Still Held as of Year End | (2.3) | 14.0 | 45.2 | (3.6) | 23.5 | 76.8 |
| Relating to Assets Distributed During the Year | - | 13.9 | (6.2) | 28.3 | (15.2) | 20.8 |
| Purchases, Sales and Settlements | 39.0 | 39.7 | 93.5 | (47.4) | 49.8 | 174.6 |
| Balance as of December 31, 2014 | \$ 292.2 | \$ 367.9 | \$ 722.0 | \$ 265.8 | \$ 475.0 | \$ 2,122.9 |
| Transfer Between Categories | 76.5 | - | - | - | (76.5) | - |
| Actual Return/(Loss) on Plan Assets: | | | | | | |
| Relating to Assets Still Held as of Year End | 5.3 | 24.4 | (6.7) | (7.1) | - | 15.9 |
| Relating to Assets Distributed During the Year | - | 27.3 | 17.0 | 24.8 | (0.9) | 68.2 |
| Purchases, Sales and Settlements | (68.8) | 45.1 | 52.5 | (23.2) | (106.8) | (101.2) |
| Balance as of December 31, 2015 | \$ 305.2 | \$ 464.7 | \$ 784.8 | \$ 260.3 | \$ 290.8 | \$ 2,105.8 |

| PBOP Plan | | | | | | |
|------------------------------------------------|-------------------|----------------|--------------|------------------------------|-------------|----------|
| (Millions of Dollars) | Equity Securities | Private Equity | Fixed Income | Real Estate and Other Assets | Hedge Funds | Total |
| Balance as of January 1, 2014 | \$ 69.1 | \$ 17.9 | \$ 51.5 | \$ 33.9 | \$ 57.0 | \$ 229.4 |
| Actual Return/(Loss) on Plan Assets: | | | | | | |
| Relating to Assets Still Held as of Year End | 6.0 | 1.3 | 1.9 | (2.8) | 1.4 | 7.8 |
| Relating to Assets Distributed During the Year | - | 0.1 | - | (2.2) | - | (2.1) |
| Purchases, Sales and Settlements | - | 5.6 | 24.9 | (13.9) | - | 16.6 |
| Balance as of December 31, 2014 | \$ 75.1 | \$ 24.9 | \$ 78.3 | \$ 15.0 | \$ 58.4 | \$ 251.7 |
| Actual Return/(Loss) on Plan Assets: | | | | | | |
| Relating to Assets Still Held as of Year End | (2.0) | 2.6 | 2.1 | 0.3 | (1.5) | 1.5 |
| Relating to Assets Distributed During the Year | - | - | (0.3) | - | - | (0.3) |
| Purchases, Sales and Settlements | 4.7 | 5.4 | 1.5 | 5.1 | (4.7) | 12.0 |
| Balance as of December 31, 2015 | \$ 77.8 | \$ 32.9 | \$ 81.6 | \$ 20.4 | \$ 52.2 | \$ 264.9 |

B. Defined Contribution Plans

Effective January 1, 2014, Eversource maintains one defined contribution plan on behalf of eligible participants, the Eversource 401k Plan. The Eversource 401k Plan provides for employee and employer contributions up to statutory limits. For eligible employees, the Eversource 401k Plan provides employer matching contributions of either 100 percent up to a maximum of three percent of eligible compensation or 50 percent up to a maximum of eight percent of eligible compensation. Beginning in 2014 for newly hired employees, the Eversource 401k Plan provides employer matching contributions of 100 percent up to a maximum of three percent of eligible compensation.

The Eversource 401k Plan also contains a K-Vantage feature for the benefit of eligible participants, which provides an additional annual employer contribution based on age and years of service. K-Vantage participants are not eligible to actively participate in the Eversource Pension Plan.

The total defined Eversource 401k Plan employer matching contributions, including the K-Vantage contributions, were as follows:

| (Millions of Dollars) | Eversource | CL&P | NSTAR Electric | PSNH | WMECO |
|-----------------------|------------|--------|----------------|--------|--------|
| 2015 | \$ 30.4 | \$ 4.8 | \$ 6.3 | \$ 3.4 | \$ 1.0 |
| 2014 | 29.7 | 5.0 | 6.3 | 3.2 | 1.0 |
| 2013 | 37.0 | 5.1 | 8.5 | 3.3 | 1.0 |

Allocations of Eversource common shares were made from Eversource treasury shares to satisfy a portion of the Eversource 401k Plan obligation, which provides 100 percent of the matching contribution in Eversource common shares. For treasury shares used to satisfy the Eversource 401k Plan employer matching contributions, compensation expense is recognized equal to the fair value of shares that have been allocated to participants. Any difference between the fair value and the average cost of the allocated treasury shares is charged or credited to Capital Surplus, Paid In on the balance sheet. For the years ended December 31, 2015, 2014 and 2013, Eversource recognized \$7 million, \$22 million and \$9.1 million, respectively, of compensation expense related to treasury shares used to satisfy the matching contribution.

C. Share-Based Payments

Share-based compensation awards are recorded using a fair-value-based method at the date of grant. Eversource, CL&P, NSTAR Electric, PSNH and WMECO record compensation expense related to these awards, as applicable, for shares issued or sold to their respective employees and officers, as well as for the allocation of costs associated with shares issued or sold to Eversource's service company employees and officers that support CL&P, NSTAR Electric, PSNH and WMECO.

Eversource Incentive Plans: Eversource maintains long-term equity-based incentive plans in which Eversource, CL&P, NSTAR Electric, PSNH and WMECO employees, officers and board members are eligible to participate. The incentive plans authorize Eversource to grant up to 8,000,000 new shares for various types of awards, including RSUs and performance shares, to eligible employees, officers, and board members. As of December 31, 2015 and 2014, Eversource had 3,005,010 and 3,112,020 common shares, respectively, available for issuance under these plans.

Eversource accounts for its various share-based plans as follows:

- **RSUs** - Eversource records compensation expense, net of estimated forfeitures, on a straight-line basis over the requisite service period based upon the fair value of Eversource's common shares at the date of grant. The par value of RSUs is reclassified to Common Stock from APIC as RSUs become issued as common shares.
- **Performance Shares** - Eversource records compensation expense, net of estimated forfeitures, on a straight-line basis over the requisite service period. Performance shares vest based upon the extent to which Company goals are achieved. Vesting of outstanding performance shares is based upon both the Company's EPS growth over the requisite service period and the total shareholder return as compared to the Edison Electric Institute (EEI) Index during the requisite service period. The fair value of performance shares is determined at the date of grant using a lattice model.
- **Stock Options** - Stock options currently outstanding are fully vested.
- **ESPP Shares** - For shares sold under the ESPP, no compensation expense was recorded as the ESPP qualified as a non-compensatory plan. The ESPP ended as of February 1, 2016.

RSUs: Eversource granted RSUs under the annual long-term incentive programs that are subject to three-year graded vesting schedules for employees, and one-year graded vesting schedules, or immediate vesting, for board members. RSUs are paid in shares, reduced by amounts sufficient to satisfy withholdings for income taxes, subsequent to vesting. A summary of RSU transactions is as follows:

| | RSUs (Units) | Weighted Average Grant-Date Fair Value |
|-------------------------------------|-----------------|----------------------------------------------|
| Outstanding as of December 31, 2014 | 1,380,747 | \$ 35.67 |
| Granted | 266,230 | \$ 54.57 |
| Shares issued | (888,495) | \$ 33.94 |
| Forfeited | (29,174) | \$ 46.68 |
| Outstanding as of December 31, 2015 | 729,308 | \$ 43.45 |

The weighted average grant-date fair value of RSUs granted for the years ended December 31, 2015, 2014 and 2013 was \$54.57, \$42.27 and \$39.56, respectively. As of December 31, 2015 and 2014, the number and weighted average grant-date fair value of unvested RSUs was 469,772 and \$48.58 per share, and 1,024,729 and \$38.14 per share, respectively. During 2015, there were 784,376 RSUs at a weighted average grant-date fair value of \$37.21 per share that vested and were either paid or deferred. As of December 31, 2015, 259,536 RSUs were fully vested and deferred and an additional 446,283 are expected to vest.

Performance Shares: Eversource granted performance shares under the annual long-term incentive programs that vest based upon the extent to which Company goals are achieved at the end of three-year performance measurement periods. Performance shares are paid in shares, after the performance measurement period. A summary of performance share transactions is as follows:

| | Performance Shares (Units) | Weighted Average Grant-Date Fair Value |
|-------------------------------------|----------------------------------|----------------------------------------------|
| Outstanding as of December 31, 2014 | 375,644 | \$ 42.20 |
| Granted | 172,543 | \$ 55.04 |
| Shares issued | (4,604) | \$ 42.23 |
| Forfeited | (15,155) | \$ 45.33 |
| Outstanding as of December 31, 2015 | 528,428 | \$ 46.30 |

The weighted average grant-date fair value of Performance Shares granted for the years ended December 31, 2015, 2014 and 2013 was \$55.04, \$43.40 and \$40.96, respectively. As of December 31, 2015, all outstanding performance shares are unvested.

The total compensation expense and associated future income tax benefits recognized by Eversource, CL&P, NSTAR Electric, PSNH and WMECO for share-based compensation awards were as follows:

| Eversource (Millions of Dollars) | For the Years Ended December 31, | | |
|-------------------------------------|----------------------------------|---------|---------|
| | 2015 | 2014 | 2013 |
| Compensation Expense | \$ 23.1 | \$ 24.6 | \$ 27.0 |
| Future Income Tax Benefit | 9.4 | 10.3 | 10.7 |

| (Millions of Dollars) | For the Years Ended December 31, | | | | | | | | | | | |
|---------------------------|----------------------------------|-------------------|--------|--------|--------|-------------------|--------|--------|--------|-------------------|--------|--------|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Compensation Expense | \$ 9.3 | \$ 5.8 | \$ 3.2 | \$ 1.7 | \$ 8.1 | \$ 7.4 | \$ 3.0 | \$ 1.3 | \$ 6.8 | \$ 7.5 | \$ 2.3 | \$ 1.3 |
| Future Income Tax Benefit | 3.8 | 2.4 | 1.3 | 0.7 | 3.4 | 3.1 | 1.3 | 0.5 | 2.7 | 3.0 | 0.9 | 0.5 |

As of December 31, 2015, there was \$14.9 million of total unrecognized compensation expense related to nonvested share-based awards for Eversource, including \$6.1 million for CL&P, \$3.8 million for NSTAR Electric, \$2.2 million for PSNH and \$1.2 million for WMECO. This cost is expected to be recognized ratably over a weighted-average period of 1.74 years for Eversource, and 1.73 years for each CL&P, NSTAR Electric, PSNH and WMECO.

For each of the years ended December 31, 2015 and 2014, changes in excess tax benefits totaling \$9.5 million increased cash flows from financing activities. For the year ended December 31, 2013, changes in excess tax benefits totaling \$5.5 million decreased cash flows from financing activities.

Stock Options: Stock options currently outstanding were granted under the NSTAR Incentive Plan, expire ten years from the date of grant and are fully vested. The weighted average remaining contractual lives for the options outstanding as of December 31, 2015 is 2.6 years. A summary of stock option transactions is as follows:

| | Options | Weighted Average Exercise Price | Intrinsic Value (Millions) |
|-------------------------------------------------|-----------|---------------------------------|----------------------------|
| Outstanding and Exercisable - December 31, 2014 | 351,616 | \$ 26.69 | \$ 9.4 |
| Exercised | (179,744) | \$ 26.90 | \$ 4.4 |
| Outstanding and Exercisable - December 31, 2015 | 171,872 | \$ 26.47 | \$ 4.2 |

Cash received for options exercised during the year ended December 31, 2015 totaled \$4.8 million. The tax benefit realized from stock options exercised totaled \$1.9 million for the year ended December 31, 2015.

Employee Share Purchase Plan: Eversource maintained an ESPP for eligible employees, which allowed for Eversource common shares to be purchased by employees at the end of successive six-month offering periods at 95 percent of the closing market price on the last day of each six-month period. Employees were permitted to purchase shares having a value not exceeding 25 percent of their compensation as of the beginning of the offering period up to a specified limit. The ESPP qualified as a non-compensatory plan under accounting guidance for share-based payments, and no compensation expense was recorded for ESPP purchases.

During 2015, employees purchased 33,715 shares at discounted prices of \$52.80 and \$47.23. Employees purchased 40,779 shares in 2014 at discounted prices of \$41.61 and \$41.71. As of December 31, 2015 and 2014, 743,260 and 776,975 shares, respectively, remained available for future issuance under the ESPP. The ESPP ended as of February 1, 2016.

An income tax rate of 40 percent is used to estimate the tax effect on total share-based payments determined under the fair value-based method for all awards. The Company generally settles stock option exercises and fully vested RSUs and performance shares with the issuance of common shares purchased in the open market.

D. Other Retirement Benefits

Eversource provides retirement and other benefits for certain current and past company officers. These benefits are accounted for on an accrual basis and expensed over a period equal to the service lives of the employees. The actuarially-determined liability for these benefits, which is included in Other Long-Term Liabilities on the balance sheets, as well as the related expense included in Operations and Maintenance on the income statements, are as follows:

| Eversource (Millions of Dollars) | As of and For the Years Ended December 31, | | | |
|-------------------------------------|--------------------------------------------|---------|---------|--|
| | 2015 | 2014 | 2013 | |
| Actuarially-Determined Liability | \$ 55.2 | \$ 57.5 | \$ 51.3 | |
| Other Retirement Benefits Expense | 3.9 | 4.5 | 4.4 | |

| (Millions of Dollars) | As of and For the Years Ended December 31, | | | | | | | | | | | |
|-----------------------------------|--------------------------------------------|----------------|--------|--------|--------|----------------|--------|--------|--------|--------|--------|--|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | PSNH | WMECO | |
| Actuarially-Determined Liability | \$ 0.4 | \$ - | \$ 2.4 | \$ 0.2 | \$ 0.4 | \$ - | \$ 2.6 | \$ 0.2 | \$ 0.4 | \$ 2.3 | \$ 0.1 | |
| Other Retirement Benefits Expense | 1.5 | 1.0 | 0.7 | 0.3 | 2.1 | 0.3 | 0.9 | 0.4 | 2.5 | 1.0 | 0.5 | |

10. INCOME TAXES

The components of income tax expense are as follows:

| Eversource (Millions of Dollars) | For the Years Ended December 31, | | |
|-------------------------------------|----------------------------------|----------|----------|
| | 2015 | 2014 | 2013 |
| Current Income Taxes: | | | |
| Federal | \$ 6.2 | \$ 4.4 | \$ 8.8 |
| State | 45.7 | 24.5 | (9.4) |
| Total Current | 51.9 | 28.9 | (0.6) |
| Deferred Income Taxes, Net: | | | |
| Federal | 436.1 | 406.8 | 386.2 |
| State | 55.6 | 36.5 | 45.4 |
| Total Deferred | 491.7 | 443.3 | 431.6 |
| Investment Tax Credits, Net | (3.6) | (3.9) | (4.1) |
| Income Tax Expense | \$ 540.0 | \$ 468.3 | \$ 426.9 |

| (Millions of Dollars) | For the Years Ended December 31, | | | | | | | | | | | |
|-----------------------------|----------------------------------|-------------------|-----------|----------|----------|-------------------|-----------|---------|----------|-------------------|----------|-----------|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Current Income Taxes: | | | | | | | | | | | | |
| Federal | \$ 26.9 | \$ 36.3 | \$ (16.7) | \$ (3.5) | \$ (0.2) | \$ 75.0 | \$ (22.6) | \$ 1.9 | \$ 20.1 | \$ 95.8 | \$ (8.2) | \$ (53.4) |
| State | 15.8 | 19.8 | 6.0 | 1.6 | 4.3 | 20.2 | (0.1) | 1.8 | (6.7) | 29.6 | 3.6 | 4.2 |
| Total Current | 42.7 | 56.1 | (10.7) | (1.9) | 4.1 | 95.2 | (22.7) | 3.7 | 13.4 | 125.4 | (4.6) | (49.2) |
| Deferred Income Taxes, Net: | | | | | | | | | | | | |
| Federal | 135.8 | 147.5 | 74.5 | 33.4 | 138.0 | 88.0 | 79.6 | 28.1 | 114.9 | 49.8 | 64.5 | 84.7 |
| State | 0.2 | 25.7 | 9.3 | 6.0 | (7.1) | 20.1 | 15.2 | 6.0 | 15.1 | (1.0) | 11.2 | 2.3 |
| Total Deferred | 136.0 | 173.2 | 83.8 | 39.4 | 130.9 | 108.1 | 94.8 | 34.1 | 130.0 | 48.8 | 75.7 | 87.0 |
| Investment Tax Credits, Net | (1.3) | (1.3) | - | (0.5) | (1.5) | (1.3) | - | (0.5) | (1.7) | (1.3) | - | (0.4) |
| Income Tax Expense | \$ 177.4 | \$ 228.0 | \$ 73.1 | \$ 37.0 | \$ 133.5 | \$ 202.0 | \$ 72.1 | \$ 37.3 | \$ 141.7 | \$ 172.9 | \$ 71.1 | \$ 37.4 |

A reconciliation between income tax expense and the expected tax expense at the statutory rate is as follows:

| Eversource (Millions of Dollars, except percentages) | For the Years Ended December 31, | | |
|---------------------------------------------------------|----------------------------------|------------|------------|
| | 2015 | 2014 | 2013 |
| Income Before Income Tax Expense | \$ 1,425.9 | \$ 1,295.4 | \$ 1,220.6 |
| Statutory Federal Income Tax Expense at 35% | 499.1 | 453.4 | 427.2 |
| Tax Effect of Differences: | | | |
| Depreciation | (4.6) | (5.6) | (7.4) |
| Investment Tax Credit Amortization | (3.6) | (3.9) | (4.1) |
| Other Federal Tax Credits | (3.8) | (3.5) | (3.7) |
| State Income Taxes, Net of Federal Impact | 61.1 | 42.5 | 27.6 |
| Dividends on ESOP | (8.1) | (8.0) | (8.0) |
| Tax Asset Valuation Allowance/Reserve Adjustments | 4.7 | (2.9) | (4.3) |
| Other, Net | (4.8) | (3.7) | (0.4) |
| Income Tax Expense | \$ 540.0 | \$ 468.3 | \$ 426.9 |
| Effective Tax Rate | 37.9% | 36.2% | 35.0% |

| (Millions of Dollars, except percentages) | For the Years Ended December 31, | | | | | | | | | | | |
|---------------------------------------------------|----------------------------------|-------------------|----------|---------|----------|-------------------|----------|---------|----------|-------------------|----------|---------|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Income Before Income Tax Expense | \$ 476.8 | \$ 572.6 | \$ 187.5 | \$ 93.5 | \$ 421.2 | \$ 505.1 | \$ 186.1 | \$ 95.1 | \$ 421.1 | \$ 441.4 | \$ 182.5 | \$ 97.8 |
| Statutory Federal Income Tax Expense at 35% | 166.9 | 200.4 | 65.6 | 32.7 | 147.4 | 176.8 | 65.1 | 33.3 | 147.4 | 154.5 | 63.9 | 34.2 |
| Tax Effect of Differences: | | | | | | | | | | | | |
| Depreciation | (1.7) | (1.4) | 0.5 | (0.3) | (3.6) | (1.3) | 0.3 | (0.2) | (7.0) | 0.1 | 0.6 | - |
| Investment Tax Credit Amortization | (1.3) | (1.3) | - | (0.5) | (1.5) | (1.3) | - | (0.5) | (1.7) | (1.3) | - | (0.4) |
| Other Federal Tax Credits | - | - | (3.8) | - | - | - | (3.5) | - | - | - | (3.7) | - |
| State Income Taxes, Net of Federal Impact | 9.2 | 29.6 | 9.9 | 4.9 | 4.4 | 26.2 | 9.8 | 5.0 | 5.0 | 18.6 | 9.6 | 4.2 |
| Tax Asset Valuation Allowance/Reserve Adjustments | 1.2 | - | - | - | (6.3) | - | - | - | 0.4 | - | - | - |
| Other, Net | 3.1 | 0.7 | 0.9 | 0.2 | (6.9) | 1.6 | 0.4 | (0.3) | (2.4) | 1.0 | 0.7 | (0.6) |
| Income Tax Expense | \$ 177.4 | \$ 228.0 | \$ 73.1 | \$ 37.0 | \$ 133.5 | \$ 202.0 | \$ 72.1 | \$ 37.3 | \$ 141.7 | \$ 172.9 | \$ 71.1 | \$ 37.4 |
| Effective Tax Rate | 37.2% | 39.8% | 39.0% | 39.6% | 31.7% | 40.0% | 38.7% | 39.2% | 33.6% | 39.2% | 39.0% | 38.2% |

Eversource, CL&P, NSTAR Electric, PSNH and WMECO file a consolidated federal income tax return and unitary, combined and separate state income tax returns. These entities are also parties to a tax allocation agreement under which taxable subsidiaries do not pay any more taxes than they would have otherwise paid had they filed a separate company tax return, and subsidiaries generating tax losses, if any, are paid for their losses when utilized.

Deferred tax assets and liabilities are recognized for the future tax effects of temporary differences between the carrying amounts and the tax basis of assets and liabilities. The tax effect of temporary differences is accounted for in accordance with the rate-making treatment of the applicable regulatory commissions and relevant accounting authoritative literature. The tax effects of temporary differences that give rise to the net accumulated deferred income tax obligations are as follows:

| Eversource (Millions of Dollars) | As of December 31, | |
|--------------------------------------------------------------|--------------------|------------|
| | 2015 | 2014 |
| Deferred Tax Assets: | | |
| Employee Benefits | \$ 637.5 | \$ 632.2 |
| Derivative Liabilities | 172.7 | 199.6 |
| Regulatory Deferrals - Liabilities | 243.5 | 366.7 |
| Allowance for Uncollectible Accounts | 60.5 | 60.5 |
| Tax Effect - Tax Regulatory Liabilities | 9.7 | 10.0 |
| Federal Net Operating Loss Carryforwards | 5.4 | 59.1 |
| Purchase Accounting Adjustment | 119.3 | 126.2 |
| Other | 197.1 | 198.7 |
| Total Deferred Tax Assets | 1,445.7 | 1,653.0 |
| Less: Valuation Allowance | 3.7 | 5.1 |
| Net Deferred Tax Assets | \$ 1,442.0 | \$ 1,647.9 |
| Deferred Tax Liabilities: | | |
| Accelerated Depreciation and Other Plant-Related Differences | \$ 4,602.6 | \$ 4,215.9 |
| Property Tax Accruals | 76.7 | 109.6 |
| Regulatory Amounts: | | |
| Regulatory Deferrals - Assets | 1,289.1 | 1,277.9 |
| Tax Effect - Tax Regulatory Assets | 249.3 | 240.2 |
| Goodwill Regulatory Asset - 1999 Merger | 194.9 | 203.2 |
| Derivative Assets | 17.7 | 32.6 |
| Other | 159.4 | 196.3 |
| Total Deferred Tax Liabilities | \$ 6,589.7 | \$ 6,275.7 |

| (Millions of Dollars) | As of December 31, | | | | | | | |
|------------------------------------------|--------------------|-------------------|----------|----------|------------|-------------------|----------|----------|
| | 2015 | | | | 2014 | | | |
| | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Deferred Tax Assets: | | | | | | | | |
| Employee Benefits | \$ 126.1 | \$ 91.3 | \$ 37.1 | \$ 10.0 | \$ 129.0 | \$ 39.9 | \$ 46.8 | \$ 9.2 |
| Derivative Liabilities | 165.7 | 0.6 | - | - | 193.0 | 1.8 | - | - |
| Regulatory Deferrals - Liabilities | 36.0 | 109.4 | 42.1 | 6.1 | 73.9 | 181.3 | 46.5 | 11.4 |
| Allowance for Uncollectible Accounts | 30.4 | 8.5 | 3.6 | 4.5 | 32.3 | 13.8 | 3.2 | 3.8 |
| Tax Effect - Tax Regulatory Liabilities | 3.1 | 1.5 | 2.3 | 2.4 | 3.1 | 1.8 | 2.1 | 2.5 |
| Federal Net Operating Loss Carryforwards | - | - | 2.4 | 0.4 | - | - | 32.1 | 4.5 |
| Other | 55.5 | 3.4 | 61.1 | 5.0 | 53.8 | 19.9 | 48.9 | 4.9 |
| Total Deferred Tax Assets | 416.8 | 214.7 | 148.6 | 28.4 | 485.1 | 258.5 | 179.6 | 36.3 |
| Less: Valuation Allowance | 3.1 | - | - | - | 4.0 | - | - | - |
| Net Deferred Tax Assets | \$ 413.7 | \$ 214.7 | \$ 148.6 | \$ 28.4 | \$ 481.1 | \$ 258.5 | \$ 179.6 | \$ 36.3 |
| Deferred Tax Liabilities: | | | | | | | | |
| Accelerated Depreciation and Other | | | | | | | | |
| Plant-Related Differences | \$ 1,545.6 | \$ 1,387.1 | \$ 655.3 | \$ 416.1 | \$ 1,378.6 | \$ 1,296.9 | \$ 596.6 | \$ 385.8 |
| Property Tax Accruals | 27.3 | 22.8 | 7.3 | 10.6 | 58.1 | 25.0 | 7.4 | 12.8 |
| Regulatory Amounts: | | | | | | | | |
| Regulatory Deferrals - Assets | 456.8 | 339.7 | 137.9 | 60.5 | 502.3 | 276.0 | 147.6 | 60.4 |
| Tax Effect - Tax Regulatory Assets | 168.7 | 36.0 | 15.4 | 9.0 | 166.9 | 35.5 | 15.9 | 9.3 |
| Goodwill Regulatory Asset - 1999 Merger | - | 167.4 | - | - | - | 174.4 | - | - |
| Derivative Assets | 17.7 | - | - | - | 32.6 | - | - | - |
| Other | 18.5 | 22.0 | 38.6 | 2.7 | 19.4 | 33.5 | 35.6 | 2.8 |
| Total Deferred Tax Liabilities | \$ 2,234.6 | \$ 1,975.0 | \$ 854.5 | \$ 498.9 | \$ 2,157.9 | \$ 1,841.3 | \$ 803.1 | \$ 471.1 |

Carryforwards: The following tables provide the amounts and expiration dates of state tax credit and loss carryforwards and federal tax credit and net operating loss carryforwards:

| (Millions of Dollars) | As of December 31, 2015 | | | | | |
|---------------------------------|-------------------------|------|----------------|--------|--------|------------------|
| | Eversource | CL&P | NSTAR Electric | PSNH | WMECO | Expiration Range |
| Federal Net Operating Loss | \$ 15.5 | \$ - | \$ - | \$ 7.0 | \$ 1.0 | 2032 |
| Federal Tax Credit | 26.1 | 0.1 | 0.2 | 15.0 | - | 2031 - 2035 |
| Federal Charitable Contribution | 14.9 | - | - | - | - | 2016 - 2018 |
| State Tax Credit | 101.2 | 73.8 | - | - | - | 2015 - 2020 |
| State Charitable Contribution | 3.0 | - | - | - | - | 2015 - 2019 |

| (Millions of Dollars) | As of December 31, 2014 | | | | | |
|---------------------------------|-------------------------|------|----------------|---------|---------|------------------|
| | Eversource | CL&P | NSTAR Electric | PSNH | WMECO | Expiration Range |
| Federal Net Operating Loss | \$ 168.8 | \$ - | \$ - | \$ 91.8 | \$ 12.7 | 2031 - 2032 |
| Federal Tax Credit | 16.3 | 0.1 | 0.2 | 11.1 | - | 2031 - 2034 |
| Federal Charitable Contribution | 19.4 | - | - | - | - | 2016 - 2018 |
| State Tax Credit | 99.7 | 71.0 | - | - | - | 2014 - 2019 |
| State Loss Carryforwards | 40.6 | - | - | - | - | 2014 - 2034 |
| State Charitable Contribution | 2.1 | - | - | - | - | 2015 - 2018 |

In 2015, the Company decreased its valuation allowance reserve for state credits and state loss carryforwards by \$1.3 million (CL&P \$0.9 million), net of tax, to reflect an update for expired state tax credits and loss carryforwards.

In 2014, the Company recorded a reduction to its state credit carryforwards of \$11 million (CL&P \$10.1 million), net of tax, as a result of an update to reflect the amounts expired. Further, the Company decreased its valuation allowance reserve for state credits by \$19.2 million at CL&P, net of tax, to reflect an update for expired state credits and latest estimate of usage.

For 2015 and 2014, state credit and state loss carryforwards have been partially reserved by a valuation allowance of \$3.1 million and \$4.4 million (net of tax), respectively.

Unrecognized Tax Benefits: A reconciliation of the activity in unrecognized tax benefits, all of which would impact the effective tax rate if recognized, is as follows:

| (Millions of Dollars) | Eversource | CL&P |
|---------------------------------|------------|---------|
| Balance as of January 1, 2013 | \$ 83.1 | \$ 49.0 |
| Gross Increases - Current Year | 8.2 | 2.1 |
| Gross Decreases - Prior Year | (1.1) | (0.3) |
| Settlements | (49.8) | (39.4) |
| Lapse of Statute of Limitations | (2.2) | - |
| Balance as of December 31, 2013 | 38.2 | 11.4 |
| Gross Increases - Current Year | 9.3 | 2.7 |
| Gross Increases - Prior Year | 0.3 | 0.2 |
| Lapse of Statute of Limitations | (1.6) | - |
| Balance as of December 31, 2014 | 46.2 | 14.3 |
| Gross Increases - Current Year | 9.9 | 2.6 |
| Gross Increases - Prior Year | 0.1 | - |
| Lapse of Statute of Limitations | (8.2) | (3.4) |
| Balance as of December 31, 2015 | \$ 48.0 | \$ 13.5 |

Interest and Penalties: Interest on uncertain tax positions is recorded and generally classified as a component of Other Interest Expense on the statements of income. However, when resolution of uncertainties results in the Company receiving interest income, any related interest benefit is recorded in Other Income, Net on the statements of income. No penalties have been recorded. The amount of interest expense/(income) on uncertain tax positions recognized and the related accrued interest payable/(receivable) are as follows:

| (Millions of Dollars) | Other Interest Expense/(Income) | | | Accrued Interest Expense | |
|-----------------------|----------------------------------|--------|----------|--------------------------|--------|
| | For the Years Ended December 31, | | | As of December 31, | |
| | 2015 | 2014 | 2013 | 2015 | 2014 |
| Eversource | \$ 0.1 | \$ 0.4 | \$ (8.6) | \$ 2.0 | \$ 1.9 |
| CL&P | - | - | (4.0) | - | - |

Tax Positions: During 2015 and 2014, Eversource did not resolve any of its uncertain tax positions.

Open Tax Years: The following table summarizes Eversource, CL&P, NSTAR Electric, PSNH and WMECO's tax years that remain subject to examination by major tax jurisdictions as of December 31, 2015:

| Description | Tax Years |
|---------------|-------------|
| Federal | 2015 |
| Connecticut | 2012 - 2015 |
| Massachusetts | 2012 - 2015 |
| New Hampshire | 2012 - 2015 |

Eversource estimates that during the next twelve months, differences of a non-timing nature could be resolved, resulting in a zero to \$2.3 million decrease in unrecognized tax benefits by Eversource. These estimated changes are not expected to have a material impact on the earnings of Eversource. Other companies' impacts are not expected to be material.

2015 Federal Legislation: On December 18, 2015, the "Protecting Americans from Tax Hikes" Act became law, which extended the accelerated deduction of depreciation to businesses from 2015 through 2019. This extended stimulus provides Eversource with cash flow benefits in 2016 of approximately \$275 million (including approximately \$105 million for CL&P, \$72 million for NSTAR Electric, \$46 million for PSNH, and \$25 million for WMECO) due to a refund of taxes paid in 2015 and lower expected tax payments in 2016 of approximately \$300 million.

2015 Connecticut Legislation: In 2015, the state of Connecticut enacted several changes to its corporate tax laws. Among the changes, commencing as of January 1, 2015, is the reduction in the amount of tax credits that corporations can utilize against its tax liability in a year and a continuation of the corporate income tax surcharge through 2018, which effectively increases the state corporate tax rate to 9 percent for the years 2016 and 2017 and 8.25 percent for 2018. Also, effective January 1, 2016, all Connecticut companies have a mandatory unitary tax filing requirement. Management continues to review the tax law changes and their impact on the effective tax rates of Eversource and CL&P.

2014 Federal Legislation: On December 19, 2014, the "Tax Increase Prevention Act of 2014" became law, which extended the accelerated deduction of depreciation to businesses through 2014. This extended stimulus provided Eversource with cash flow benefits of approximately \$250 million (approximately \$86 million at CL&P, \$64 million at NSTAR Electric, \$44 million at PSNH, and \$21 million at WMECO) in 2015.

11. COMMITMENTS AND CONTINGENCIES

A. Environmental Matters

General: Eversource, CL&P, NSTAR Electric, PSNH and WMECO are subject to environmental laws and regulations intended to mitigate or remove the effect of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or the remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current and former operating sites. Eversource, CL&P, NSTAR Electric, PSNH and WMECO have an active environmental auditing and training program and believe that they are substantially in compliance with all enacted laws and regulations.

Environmental reserves are accrued when assessments indicate it is probable that a liability has been incurred and an amount can be reasonably estimated. The approach used estimates the liability based on the most likely action plan from a variety of available remediation options, including no action required or several different remedies ranging from establishing institutional controls to full site remediation and monitoring. These liabilities are estimated on an undiscounted basis and do not assume that the amounts are recoverable from insurance companies or other third parties. The environmental reserves include sites at different stages of discovery and remediation and do not include any unasserted claims.

These estimates are subjective in nature as they take into consideration several different remediation options at each specific site. The reliability and precision of these estimates can be affected by several factors, including new information concerning either the level of contamination at the site, the extent of Eversource, CL&P, NSTAR Electric, PSNH and WMECO's responsibility for remediation or the extent of remediation required, recently enacted laws and regulations or changes in cost estimates due to certain economic factors. It is possible that new information or future developments could require a reassessment of the potential exposure to related environmental matters. As this information becomes available, management will continue to assess the potential exposure and adjust the reserves accordingly.

The amounts recorded as environmental reserves included in Other Current Liabilities and Other Long-Term Liabilities on the balance sheets represent management's best estimate of the liability for environmental costs, and take into consideration site assessment, remediation and long-term monitoring costs. The environmental reserves also take into account recurring costs of managing hazardous substances and pollutants, mandated expenditures to remediate previously contaminated sites and any other infrequent and non-recurring clean-up costs. A reconciliation of the activity in the environmental reserves is as follows:

| (Millions of Dollars) | Eversource | CL&P | NSTAR Electric | PSNH | WMECO |
|---------------------------------|------------|--------|----------------|--------|--------|
| Balance as of January 1, 2014 | \$ 35.4 | \$ 3.4 | \$ 1.2 | \$ 5.4 | \$ 0.4 |
| Additions | 12.7 | 1.0 | - | 0.1 | 0.2 |
| Payments/Reductions | (4.8) | (0.6) | (0.1) | (0.3) | (0.1) |
| Balance as of December 31, 2014 | 43.3 | 3.8 | 1.1 | 5.2 | 0.5 |
| Additions | 13.5 | 1.3 | 2.0 | 2.3 | 0.2 |
| Payments/Reductions | (5.7) | (0.5) | (0.7) | (3.0) | (0.1) |
| Balance as of December 31, 2015 | \$ 51.1 | \$ 4.6 | \$ 2.4 | \$ 4.5 | \$ 0.6 |

The number of related environmental sites and reserves for which remediation or long-term monitoring, preliminary site work or site assessment is being performed are as follows:

| | As of December 31, 2015 | | As of December 31, 2014 | |
|----------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | Number of Sites | Reserve (in millions) | Number of Sites | Reserve (in millions) |
| Eversource | 64 | \$ 51.1 | 65 | \$ 43.3 |
| CL&P | 14 | 4.6 | 16 | 3.8 |
| NSTAR Electric | 15 | 2.4 | 13 | 1.1 |
| PSNH | 12 | 4.5 | 13 | 5.2 |
| WMECO | 4 | 0.6 | 4 | 0.5 |

Included in the Eversource number of sites and reserve amounts above are former MGP sites that were operated several decades ago and manufactured gas from coal and other processes, which resulted in certain by-products remaining in the environment that may pose a potential risk to human health and the environment, for which Eversource may have potential liability. The reserve balances related to these former MGP sites were \$45.5 million and \$38.8 million as of December 31, 2015 and 2014, respectively, and related primarily to the natural gas business segment.

As of December 31, 2015, for 9 environmental sites (3 for CL&P, 1 for WMECO) that are included in the Company's reserve for environmental costs, the information known and the nature of the remediation options allow for the Company to estimate the range of losses for environmental costs. As of December 31, 2015, \$24.7 million (including \$1.7 million for CL&P and \$0.3 million for WMECO) had been accrued as a liability for these sites, which represents the low end of the range of the liabilities for environmental costs. Management believes that additional losses of up to approximately \$33.9 million (approximately \$1.4 million for CL&P, and \$0.1 million for WMECO) may be incurred in remediating these sites.

As of December 31, 2015, for 12 environmental sites (3 for CL&P and 2 for NSTAR Electric) that are included in the Company's reserve for environmental costs, management cannot reasonably estimate the exposure to loss in excess of the reserve, or range of loss, as these sites are under investigation and/or there is significant uncertainty as to what remedial actions, if any, the Company may be required to undertake. As of December 31, 2015, \$13.7 million (including \$2 million for CL&P) had been accrued as a liability for these sites. As of December 31, 2015, for the remaining 43 environmental sites (including 8 for CL&P, 13 for NSTAR Electric, 12 for PSNH, and 3 for WMECO) that are included in the Company's reserve for environmental costs, the \$12.7 million accrual (including \$0.9 million for CL&P, \$2.4 million for NSTAR Electric, \$4.5 million for PSNH, and \$0.3 million for WMECO) represents management's best estimate of the potential liability and no additional loss is anticipated at this time.

CERCLA: Of the total environmental sites, nine sites (four for NSTAR Electric and three for PSNH) are superfund sites under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) and its amendments or state equivalents for which the Company has been notified that it is a potentially responsible party but for which the site assessment and remediation are not being managed by the Company. As of December 31, 2015, a liability of \$0.8 million accrued on these sites represents management's best estimate of its potential remediation costs with respect to these superfund sites.

Environmental Rate Recovery: PSNH, NSTAR Gas and Yankee Gas have rate recovery mechanisms for MGP related environmental costs, therefore, changes in their respective environmental reserves do not impact Net Income. CL&P recovers a certain level of environmental costs currently in rates. CL&P, NSTAR Electric and WMECO do not have a separate environmental cost recovery regulatory mechanism.

B. Long-Term Contractual Arrangements

Estimated Future Annual Costs: The estimated future annual costs of significant long-term contractual arrangements as of December 31, 2015 are as follows:

| Eversource (Millions of Dollars) | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|-------------------------------------|----------|----------|----------|----------|----------|------------|------------|
| Supply and Stranded Cost | \$ 177.4 | \$ 110.1 | \$ 81.5 | \$ 51.1 | \$ 34.9 | \$ 80.6 | \$ 535.6 |
| Renewable Energy | 246.6 | 273.3 | 238.3 | 237.4 | 237.0 | 2,174.7 | 3,407.3 |
| Peaker CfDs | 55.8 | 41.1 | 20.4 | 7.8 | 4.0 | 3.6 | 132.7 |
| Natural Gas Procurement | 137.9 | 123.8 | 78.4 | 57.8 | 46.9 | 99.7 | 544.5 |
| Coal, Wood and Other | 45.4 | 23.3 | 3.4 | 1.9 | 1.9 | 13.1 | 89.0 |
| Transmission Support Commitments | 21.4 | 19.0 | 20.3 | 20.2 | 20.2 | - | 101.1 |
| Total | \$ 684.5 | \$ 590.6 | \$ 442.3 | \$ 376.2 | \$ 344.9 | \$ 2,371.7 | \$ 4,810.2 |

CL&P*(Millions of Dollars)*

| | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|----------------------------------|----------|----------|----------|----------|----------|------------|------------|
| Supply and Stranded Cost | \$ 145.0 | \$ 87.2 | \$ 58.2 | \$ 38.0 | \$ 29.3 | \$ 47.6 | \$ 405.3 |
| Renewable Energy | 70.1 | 71.7 | 72.1 | 72.3 | 72.4 | 649.7 | 1,008.3 |
| Peaker CfDs | 55.8 | 41.1 | 20.4 | 7.8 | 4.0 | 3.6 | 132.7 |
| Transmission Support Commitments | 8.4 | 7.5 | 8.0 | 8.0 | 8.0 | - | 39.9 |
| Yankee Companies Billings | 0.1 | 0.4 | 0.8 | 0.8 | 0.8 | 10.7 | 13.6 |
| Total | \$ 279.4 | \$ 207.9 | \$ 159.5 | \$ 126.9 | \$ 114.5 | \$ 711.6 | \$ 1,599.8 |

NSTAR Electric*(Millions of Dollars)*

| | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|----------------------------------|----------|----------|---------|---------|---------|------------|------------|
| Supply and Stranded Cost | \$ 14.1 | \$ 4.8 | \$ 5.5 | \$ 5.5 | \$ 3.1 | \$ 28.1 | \$ 61.1 |
| Renewable Energy | 99.0 | 117.0 | 80.4 | 78.5 | 76.6 | 489.8 | 941.3 |
| Transmission Support Commitments | 6.6 | 5.9 | 6.3 | 6.2 | 6.2 | - | 31.2 |
| Yankee Companies Billings | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 | 3.6 | 4.8 |
| Total | \$ 119.8 | \$ 127.9 | \$ 92.5 | \$ 90.5 | \$ 86.2 | \$ 521.5 | \$ 1,038.4 |

PSNH*(Millions of Dollars)*

| | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|----------------------------------|----------|----------|---------|---------|---------|------------|------------|
| Supply and Stranded Cost | \$ 18.3 | \$ 18.1 | \$ 17.8 | \$ 7.6 | \$ 2.5 | \$ 4.9 | \$ 69.2 |
| Renewable Energy | 67.9 | 69.0 | 70.1 | 70.7 | 72.0 | 860.4 | 1,210.1 |
| Coal, Wood and Other | 45.4 | 23.3 | 3.4 | 1.9 | 1.9 | 13.1 | 89.0 |
| Transmission Support Commitments | 4.6 | 4.0 | 4.3 | 4.3 | 4.3 | - | 21.5 |
| Yankee Companies Billings | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 | 4.2 | 5.4 |
| Total | \$ 136.3 | \$ 114.6 | \$ 95.9 | \$ 84.8 | \$ 81.0 | \$ 882.6 | \$ 1,395.2 |

WMECO*(Millions of Dollars)*

| | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total |
|----------------------------------|---------|---------|---------|---------|---------|------------|----------|
| Renewable Energy | \$ 9.6 | \$ 15.6 | \$ 15.7 | \$ 15.9 | \$ 16.0 | \$ 174.8 | \$ 247.6 |
| Transmission Support Commitments | 1.8 | 1.6 | 1.7 | 1.7 | 1.7 | - | 8.5 |
| Yankee Companies Billings | - | 0.1 | 0.2 | 0.2 | 0.2 | 2.7 | 3.4 |
| Total | \$ 11.4 | \$ 17.3 | \$ 17.6 | \$ 17.8 | \$ 17.9 | \$ 177.5 | \$ 259.5 |

Supply and Stranded Cost: CL&P, NSTAR Electric and PSNH have various IPP contracts or purchase obligations for electricity, including payment obligations resulting from the buydown of electricity purchase contracts. Such contracts extend through 2024 for CL&P, 2031 for NSTAR Electric and 2023 for PSNH.

In addition, CL&P, along with UI, has four capacity CfDs for a total of approximately 787 MW of capacity consisting of three generation projects and one demand response project. The capacity CfDs extend through 2026 and obligate both CL&P and UI to make or receive payments on a monthly basis to or from the generation facilities based on the difference between a set contractual capacity price and the capacity market prices received by the generation facilities in the ISO-NE capacity markets. CL&P has a sharing agreement with UI, whereby UI will share 20 percent of the costs and benefits of these contracts. CL&P's portion of the costs and benefits of these contracts will be paid by or refunded to CL&P's customers.

The contractual obligations table above does not include CL&P's, NSTAR Electric's or WMECO's default service contracts, the amounts of which vary with customers' energy needs. The contractual obligations table also does not include PSNH's short-term power supply management.

Renewable Energy: Renewable energy contracts include non-cancellable commitments under contracts of CL&P, NSTAR Electric, PSNH, and WMECO for the purchase of energy and capacity from renewable energy facilities. Such contracts extend through 2035 for CL&P, 2031 for NSTAR Electric, 2033 for PSNH and 2031 for WMECO.

The contractual obligations table above does not include long-term commitments signed by CL&P, NSTAR Electric and WMECO, as required by the PURA and DPU, for the purchase of renewable energy and related products that are contingent on the future construction of energy facilities.

Peaker CfDs: In 2008, CL&P entered into three CfDs with developers of peaking generation units approved by PURA (Peaker CfDs). These units have a total of approximately 500 MW of peaking capacity. As directed by PURA, CL&P and UI have entered into a sharing agreement, whereby CL&P is responsible for 80 percent and UI for 20 percent of the net costs or benefits of these CfDs. The Peaker CfDs pay the generation facility owner the difference between capacity, forward reserve and energy market revenues and a cost-of-service payment stream for 30 years. The ultimate cost or benefit to CL&P under these contracts will depend on the costs of plant operation and the prices that the projects receive for capacity and other products in the ISO-NE markets. CL&P's portion of the amounts paid or received under the Peaker CfDs will be recoverable from or refunded to CL&P's customers.

Natural Gas Procurement: In the normal course of business, Eversource's natural gas distribution businesses have long-term contracts for the purchase, transportation and storage of natural gas as part of its portfolio of supplies. These contracts extend through 2029.

Coal, Wood and Other: PSNH has entered into various arrangements for the purchase of coal, wood and the transportation services for fuel supply for its electric generating assets. Also included in the contractual obligations table above is a contract for capacity on the Portland Natural Gas Transmission System (PNGTS) pipeline that extends through 2018. The costs of this contract of \$4.5 million are not recoverable from customers.

Transmission Support Commitments: Along with other New England utilities, CL&P, NSTAR Electric, PSNH and WMECO entered into agreements in 1985 to support transmission and terminal facilities that were built to import electricity from the Hydro-Québec system in Canada. CL&P, NSTAR Electric, PSNH and WMECO are obligated to pay, over a 30-year period ending in 2020, their proportionate shares of the annual operation and maintenance expenses and capital costs of those facilities.

Yankee Companies Billings: CL&P, NSTAR Electric, PSNH and WMECO have decommissioning and plant closure cost obligations to the Yankee Companies, which have each completed the physical decommissioning of their respective nuclear facilities and are now engaged in the long-term storage of their spent fuel. For further information on the Yankee Companies, see Note 11C, "Commitments and Contingencies - Contractual Obligations - Yankee Companies," to the financial statements.

The total costs incurred under these agreements were as follows:

| Eversource (Millions of Dollars) | For the Years Ended December 31, | | |
|--------------------------------------------|-----------------------------------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Supply and Stranded Cost | \$ 147.6 | \$ 99.2 | \$ 141.0 |
| Renewable Energy | 144.3 | 114.4 | 91.3 |
| Peaker CfDs | 42.7 | 18.1 | 51.9 |
| Natural Gas Procurement | 428.6 | 482.5 | 349.8 |
| Coal, Wood and Other | 95.9 | 120.5 | 112.6 |
| Transmission Support Commitments | 25.3 | 25.0 | 24.9 |

| | For the Years Ended December 31, | | | | | | | | | | | |
|----------------------------------|-----------------------------------------|-----------------------|-------------|--------------|-----------------|-----------------------|-------------|--------------|-----------------|-----------------------|-------------|--------------|
| | 2015 | | | | 2014 | | | | 2013 | | | |
| (Millions of Dollars) | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO | CL&P | NSTAR Electric | PSNH | WMECO |
| Supply and Stranded Cost | \$ 120.3 | \$ 6.5 | \$ 20.8 | \$ - | \$ 63.0 | \$ 7.0 | \$ 26.0 | \$ 3.2 | \$ 77.6 | \$ 32.4 | \$ 29.0 | \$ 2.0 |
| Renewable Energy | 20.0 | 86.7 | 37.2 | 0.4 | 0.7 | 87.4 | 26.3 | - | - | 84.9 | 6.4 | - |
| Peaker CfDs | 42.7 | - | - | - | 18.1 | - | - | - | 51.9 | - | - | - |
| Coal, Wood and Other | - | - | 95.9 | - | - | - | 120.5 | - | - | - | 112.6 | - |
| Transmission Support Commitments | 10.0 | 7.8 | 5.4 | 2.1 | 9.9 | 7.7 | 5.3 | 2.1 | 9.8 | 7.7 | 5.3 | 2.1 |

C. Contractual Obligations - Yankee Companies

CL&P, NSTAR Electric, PSNH and WMECO have plant closure and fuel storage cost obligations to the Yankee Companies, which have each completed the physical decommissioning of their respective nuclear facilities and are now engaged in the long-term storage of their spent fuel. The Yankee Companies collect these costs through wholesale, FERC-approved rates charged under power purchase agreements with several New England utilities, including CL&P, NSTAR Electric, PSNH and WMECO. These companies in turn recover these costs from their customers through state regulatory commission-approved retail rates. The Yankee Companies have collected or are currently collecting amounts that management believes are adequate to recover the remaining plant closure and fuel storage cost estimates for the respective plants. Management believes CL&P, NSTAR Electric and WMECO will recover their shares of these obligations from their customers. PSNH has recovered its total share of these costs from its customers.

CL&P, NSTAR Electric, PSNH and WMECO's percentage share of the obligations to support the Yankee Companies under FERC-approved rate tariffs is the same as their respective ownership percentages in the Yankee Companies. For further information on the ownership percentages, see Note 1J, "Summary of Significant Accounting Policies - Equity Method Investments," to the financial statements.

Spent Nuclear Fuel Litigation:

DOE Phase I Damages – In 2013, CYAPC, YAEC and MYAPC received proceeds of \$39.6 million, \$38.3 million, and \$81.7 million, respectively, based on a final court judgment awarding damages for separate complaints filed by the Yankee Companies in 1998 against the DOE seeking monetary damages resulting from the DOE's failure to begin accepting spent nuclear fuel for disposal pursuant to the terms of the 1983 spent fuel and high level waste disposal contracts between the Yankee Companies and the DOE (DOE Phase I Damages). Phase I covered damages for the period 1998 through 2002. In 2013, CYAPC, YAEC and MYAPC reduced rates in their wholesale power contracts through the application of the DOE proceeds for the benefit of customers. CL&P, NSTAR Electric, PSNH and WMECO began receiving the benefit of the Phase I DOE proceeds in 2013, and the benefits are being passed on to customers.

In accordance with MYAPC's three-year refund plan of the DOE Phase I Damages proceeds, in September 2014, MYAPC returned the second portion of the proceeds to the member companies, including CL&P, NSTAR Electric, PSNH, and WMECO, in the amount of \$3.2 million, \$1.1 million, \$1.4 million and \$0.8 million, respectively. On September 28, 2015, MYAPC returned the remaining DOE Phase I Damages proceeds to the member companies, including CL&P, NSTAR Electric, PSNH, and WMECO, in the amount of \$2.3 million, \$0.8 million, \$1 million and \$0.6 million, respectively. These amounts reduced receivables at CL&P, NSTAR Electric, PSNH and WMECO.

DOE Phase II Damages - In 2014, CYAPC, YAEC and MYAPC received proceeds of \$126.3 million, \$73.3 million and \$35.8 million, respectively, based on a final court judgment awarding damages for separate lawsuits filed by the Yankee Companies in 2007 against the DOE seeking recovery of actual damages incurred related to the alleged failure of the DOE to provide for a permanent facility to store spent nuclear fuel generated in years 2001 through 2008 for CYAPC and YAEC, and from 2002 through 2008 for MYAPC (DOE Phase II Damages). The Yankee Companies returned the DOE Phase II Damages proceeds to the member companies, including CL&P, NSTAR Electric, PSNH, and WMECO, for the benefit of their respective customers in June 2014.

As of December 31, 2014, CL&P's refund obligation to customers of \$65.4 million was recorded as an offset to the deferred storm restoration costs regulatory asset, as directed by PURA. NSTAR Electric's, PSNH's and WMECO's refund obligation to customers of \$29.1 million, \$13.1 million and \$18.1 million, respectively, was recorded as a regulatory liability in each company's respective regulatory tracker mechanisms. Refunds to customers for these Phase II DOE proceeds were completed in 2015.

DOE Phase III Damages – In August 2013, the Yankee Companies each filed subsequent lawsuits against the DOE seeking recovery of actual damages incurred in the years 2009 through 2012. The DOE Phase III trial concluded on July 1, 2015, with a post-trial briefing that concluded on October 14, 2015. The parties are awaiting a decision from the court.

D. Guarantees and Indemnifications

In the normal course of business, Eversource parent provides credit assurances on behalf of its subsidiaries, including CL&P, NSTAR Electric, PSNH and WMECO, in the form of guarantees.

Eversource parent issued a declining balance guaranty on behalf of a wholly-owned subsidiary to guarantee the payment of the subsidiary's capital contributions for its investment in the Access Northeast project. The guarantee will not exceed \$206 million and will decrease as capital contributions are made. The guaranty will expire upon the earlier of the full performance of the guaranteed obligations or December 31, 2021.

Eversource parent issued a guaranty on behalf of its subsidiary, NPT, under which, beginning at the time the Northern Pass Transmission line goes into commercial operation, Eversource parent will guarantee the financial obligations of NPT under the TSA with HQ in an amount not to exceed \$25 million. Eversource parent's obligations under the guaranty expire upon the full, final and indefeasible payment of the guaranteed obligations.

Eversource parent has also guaranteed certain indemnification and other obligations as a result of the sales of former unregulated subsidiaries and the termination of an unregulated business, with maximum exposures either not specified or not material.

Management does not anticipate a material impact to Net Income as a result of these various guarantees and indemnifications.

The following table summarizes Eversource parent's exposure to guarantees and indemnifications of its subsidiaries, including CL&P, NSTAR Electric, PSNH and WMECO, and guarantees to external parties, as of December 31, 2015:

| Company | Description | Maximum Exposure (in millions) | Expiration Dates |
|-----------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------|------------------|
| On behalf of subsidiaries: | | | |
| Various | Surety Bonds ⁽¹⁾ | \$ 32.7 | 2016 - 2018 |
| Eversource Service and Rocky River Realty Company | Lease Payments for Vehicles and Real Estate | \$ 11.4 | 2019 and 2024 |
| On behalf of external parties: | | | |
| Algonquin Gas Transmission, LLC (owner of Access Northeast assets) | Access Northeast project capital contributions guarantee | \$ 204.8 | 2021 |

⁽¹⁾ Surety bond expiration dates reflect termination dates, the majority of which will be renewed or extended. Certain surety bonds contain credit ratings triggers that would require Eversource parent to post collateral in the event that the unsecured debt credit ratings of Eversource are downgraded.

E. FERC ROE Complaints

Three separate complaints have been filed at FERC by combinations of New England state attorneys general, state regulatory commissions, consumer advocates, consumer groups, municipal parties and other parties (the "Complainants"). In the first complaint, filed in 2011, the Complainants alleged that the NETOs' base ROE that had been utilized since 2006 was unjust and unreasonable, asserted that the rate was excessive due to changes in the capital markets, and sought an order to reduce it prospectively from the date of the final FERC order and for the 15-month period beginning October 1, 2011 to December 31, 2012. In the second and third complaints, filed in 2012 and 2014, the Complainants challenged the NETOs' base ROE and sought refunds for the respective 15-month periods beginning December 27, 2012 and July 31, 2014.

As a result of the actions taken by the FERC and other developments in the first complaint matter, the Company recorded additional reserves at its electric subsidiaries in 2015 and 2014. In 2015, Eversource recognized a pre-tax charge to earnings (excluding interest) of \$20 million, of which \$12.5 million was recorded at CL&P, \$2.4 million at NSTAR Electric, \$1 million at PSNH, and \$4.1 million at WMECO. The pre-tax charge was recorded as a regulatory liability and as a reduction to Operating Revenues. In 2014, the net aggregate pre-tax charge to earnings (excluding interest) totaled \$37 million, of which \$20.7 million was recorded at CL&P, \$7.9 million at NSTAR Electric, \$2.8 million at PSNH and \$5.6 million at WMECO. In 2013, the net aggregate pre-tax charge to earnings (excluding interest) totaled \$23.7 million, of which \$12.8 million was recorded at CL&P, \$5.7 million at NSTAR Electric, \$2.3 million at PSNH and \$2.9 million at WMECO.

The second and third complaint proceedings are ongoing and a final FERC order is expected in late 2016 or early 2017. Although management is uncertain on the final outcome of the second and third complaints regarding the ROE, management believes the current reserves established are appropriate to reflect probable and reasonably estimable refunds.

F. NSTAR Electric and NSTAR Gas Comprehensive Settlement Agreement

On March 2, 2015, the DPU approved the comprehensive settlement agreement between NSTAR Electric, NSTAR Gas and the Massachusetts Attorney General (the "Settlement") as filed with the DPU on December 31, 2014. The Settlement resolved the outstanding NSTAR Electric CPSL program filings for 2006 through 2011, the NSTAR Electric and NSTAR Gas PAM and energy efficiency-related customer billing adjustments reported in 2012, and the recovery of LBR related to NSTAR Electric's energy efficiency programs for 2009 through 2011 (11 dockets in total). In

the first quarter of 2015, as a result of the DPU order, NSTAR Electric and NSTAR Gas commenced refunding a combined \$44.7 million to customers, which was recorded as a regulatory liability. Refunds to customers will continue through December 2016. As a result of the Settlement, NSTAR Electric increased its operating revenues and decreased its amortization expense in 2015, resulting in the recognition of a \$21.7 million pre-tax benefit in 2015.

G. NSTAR Electric Basic Service Bad Debt Adder

On January 7, 2015, the DPU issued an order concluding that NSTAR Electric had removed energy-related bad debt costs from base distribution rates effective January 1, 2006. As a result of the DPU order, in the first quarter of 2015, NSTAR Electric increased its regulatory assets and reduced its operations and maintenance expense by an under recovered amount of \$24.2 million for energy-related bad debt costs through 2014, resulting in a pre-tax benefit in 2015. NSTAR Electric filed for recovery of the energy-related bad debt costs regulatory asset from customers and on November 20, 2015 the DPU approved NSTAR Electric's proposed rate increase, to recover these costs over a 12-month period, effective January 1, 2016.

H. PSNH Generation Restructuring

On June 10, 2015, Eversource and PSNH entered into the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (the Agreement) with the New Hampshire Office of Energy and Planning, certain members of the NHPUC staff, the Office of Consumer Advocate, two State Senators, and several other parties. The Agreement was filed with the NHPUC on the same day. Under the terms of the Agreement, PSNH has agreed to divest its generation assets upon NHPUC approval. The Agreement is designed to provide a resolution of issues pertaining to PSNH's generation assets in pending regulatory proceedings before the NHPUC. The Agreement provided for the Clean Air Project prudence proceeding to be resolved and all remaining Clean Air Project costs to be included in rates effective January 1, 2016. As part of the Agreement, PSNH has agreed to forego recovery of \$25 million of the deferred equity return related to the Clean Air Project. In addition, PSNH will not seek a general distribution rate increase effective before July 1, 2017 and will contribute \$5 million to create a clean energy fund, which will not be recoverable from its customers. In 2015, PSNH recorded the \$5 million contribution as a long-term liability and an increase to Operations and Maintenance expense on the statements of income.

Upon completion of the divestiture process, all remaining stranded costs will be recovered via bonds that will be secured by a non-bypassable charge or through other recoveries in rates billed to PSNH customers.

On January 26, 2016, Advisory Staff of the NHPUC and the parties to the Agreement filed a stipulation with the NHPUC agreeing that near-term divestiture of PSNH's generation was in the public interest and that the Agreement should be approved. Implementation of the Agreement is subject to NHPUC approval, which is expected in early 2016.

If the NHPUC approves the settlements and the sale of the plants, then management expects to sell the plants in the first half of 2017. The sales price of the generating assets could be less than the carrying value, but we believe that full recovery of PSNH's generation assets is probable through a combination of cash flows during the remaining operating period, sales proceeds upon divestiture, and recovery of stranded costs in future rates.

I. Litigation and Legal Proceedings

Eversource, including CL&P, NSTAR Electric, PSNH and WMECO, are involved in legal, tax and regulatory proceedings regarding matters arising in the ordinary course of business, which involve management's assessment to determine the probability of whether a loss will occur and, if probable, its best estimate of probable loss. The Company records and discloses losses when these losses are probable and reasonably estimable, and discloses matters when losses are probable but not estimable or when losses are reasonably possible. Legal costs related to the defense of loss contingencies are expensed as incurred.

12. LEASES

Eversource, including CL&P, NSTAR Electric, PSNH and WMECO, has entered into lease agreements, some of which are capital leases, for the use of data processing and office equipment, vehicles, service centers, and office space. In addition, CL&P, NSTAR Electric, PSNH and WMECO incur costs associated with leases entered into by Eversource Service and Rocky River Realty Company, which are included below in their respective operating lease rental expenses and future minimum rental payments. These intercompany lease amounts are eliminated on an Eversource consolidated basis. The provisions of the Eversource, CL&P, NSTAR Electric, PSNH, and WMECO lease agreements generally contain renewal options. Certain lease agreements contain payments impacted by the commercial paper rate plus a credit spread or the consumer price index.

Operating lease rental payments charged to expense are as follows:

| (Millions of Dollars) | NSTAR | | | | |
|-----------------------|------------|---------|----------|--------|--------|
| | Eversource | CL&P | Electric | PSNH | WMECO |
| 2015 | \$ 12.1 | \$ 12.5 | \$ 9.6 | \$ 2.8 | \$ 2.2 |
| 2014 | 14.3 | 6.0 | 7.8 | 1.5 | 1.2 |
| 2013 | 16.3 | 8.1 | 6.7 | 1.7 | 2.9 |

The 2015 rental payments above for CL&P, NSTAR Electric, PSNH, and WMECO include an intercompany rate of return, property tax and operational expense component paid to Rocky River Realty Company.

Future minimum rental payments, excluding executory costs, such as property taxes, state use taxes, insurance, and maintenance, under long-term noncancelable leases, as of December 31, 2015 are as follows:

| Operating Leases (Millions of Dollars) | | NSTAR | | | |
|--------------------------------------------------|-------------------|-----------------|-----------------|-------------|--------------|
| | Eversource | CL&P | Electric | PSNH | WMECO |
| 2016 | \$ 16.4 | \$ 2.9 | \$ 9.7 | \$ 0.8 | \$ 0.8 |
| 2017 | 13.8 | 2.0 | 8.5 | 0.7 | 0.7 |
| 2018 | 10.4 | 1.3 | 6.5 | 0.5 | 0.6 |
| 2019 | 8.5 | 1.0 | 5.3 | 0.4 | 0.5 |
| 2020 | 6.8 | 0.7 | 4.3 | 0.3 | 0.5 |
| Thereafter | 15.4 | 1.7 | 9.0 | 0.7 | 1.8 |
| Future minimum lease payments | \$ 71.3 | \$ 9.6 | \$ 43.3 | \$ 3.4 | \$ 4.9 |

| Capital Leases (Millions of Dollars) | | NSTAR | | |
|------------------------------------------------|-------------------|-----------------|-------------|--|
| | Eversource | CL&P | PSNH | |
| 2016 | \$ 2.2 | \$ 1.9 | \$ 0.3 | |
| 2017 | 2.1 | 1.9 | 0.2 | |
| 2018 | 2.1 | 2.0 | 0.1 | |
| 2019 | 2.0 | 2.0 | - | |
| 2020 | 2.0 | 2.0 | - | |
| Thereafter | 1.4 | 1.4 | - | |
| Future minimum lease payments | 11.8 | 11.2 | 0.6 | |
| Less amount representing interest | 3.6 | 3.6 | - | |
| Present value of future minimum lease payments | \$ 8.2 | \$ 7.6 | \$ 0.6 | |

CL&P entered into certain contracts for the purchase of energy that qualify as leases. These contracts do not have minimum lease payments and therefore are not included in the tables above. However, such contracts have been included in the contractual obligations table in Note 11B, "Commitments and Contingencies - Long-Term Contractual Arrangements," to the financial statements.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each of the following financial instruments:

Preferred Stock and Long-Term Debt: The fair value of CL&P's and NSTAR Electric's preferred stock is based upon pricing models that incorporate interest rates and other market factors, valuations or trades of similar securities and cash flow projections. The fair value of long-term debt securities is based upon pricing models that incorporate quoted market prices for those issues or similar issues adjusted for market conditions, credit ratings of the respective companies and treasury benchmark yields. The fair values provided in the tables below are classified as Level 2 within the fair value hierarchy. Carrying amounts and estimated fair values are as follows:

| Eversource (Millions of Dollars) | As of December 31, | | | |
|-----------------------------------------------------|---------------------------|-------------------|------------------------|-------------------|
| | 2015 | | 2014 | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Preferred Stock Not Subject to Mandatory Redemption | \$ 155.6 | \$ 157.9 | \$ 155.6 | \$ 153.6 |
| Long-Term Debt | 9,034.5 | 9,425.9 | 8,814.0 | 9,451.2 |

| (Millions of Dollars) | As of December 31, 2015 | | | | | | | |
|-----------------------------------------------------|--------------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|
| | CL&P | | NSTAR Electric | | PSNH | | WMECO | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Preferred Stock Not Subject to Mandatory Redemption | \$ 116.2 | \$ 114.9 | \$ 43.0 | \$ 43.0 | \$ - | \$ - | \$ - | \$ - |
| Long-Term Debt | 2,763.7 | 3,031.6 | 2,029.8 | 2,182.4 | 1,071.0 | 1,121.2 | 517.3 | 551.8 |

| (Millions of Dollars) | As of December 31, 2014 | | | | | | | |
|-----------------------------------------------------|--------------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|
| | CL&P | | NSTAR Electric | | PSNH | | WMECO | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Preferred Stock Not Subject to Mandatory Redemption | \$ 116.2 | \$ 112.0 | \$ 43.0 | \$ 41.6 | \$ - | \$ - | \$ - | \$ - |
| Long-Term Debt | 2,826.2 | 3,214.5 | 1,786.2 | 1,993.5 | 1,070.0 | 1,137.9 | 625.2 | 689.4 |

Effective December 31, 2015, the carrying amount of Long-Term Debt includes unamortized debt issuance costs presented as a direct reduction from the carrying amount of the debt liability, in accordance with new accounting guidance. The December 31, 2014 carrying amount of Long-Term Debt was retrospectively adjusted to conform to the current year presentation. See Note 1C, "Summary of Significant Accounting Policies – Accounting Standards," for further information.

Derivative Instruments: Derivative instruments are carried at fair value. For further information, see Note 4, "Derivative Instruments," to the financial statements.

Other Financial Instruments: Investments in marketable securities are carried at fair value. For further information, see Note 5, "Marketable Securities," to the financial statements. The carrying value of other financial instruments included in current assets and current liabilities on the balance sheets, including cash and cash equivalents and special deposits, approximates their fair value due to their short-term nature.

See Note 1H, "Summary of Significant Accounting Policies - Fair Value Measurements," for the fair value measurement policy and the fair value hierarchy.

14. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The changes in accumulated other comprehensive income/(loss) by component, net of tax effect, is as follows:

| Eversource (Millions of Dollars) | For the Year Ended December 31, 2015 | | | | For the Year Ended December 31, 2014 | | | |
|-----------------------------------------|-----------------------------------------|----------------------------------------------------|-----------------------|-----------|-----------------------------------------|-------------------------------------------|-----------------------|-----------|
| | Qualified Cash Flow Hedging Instruments | Unrealized Gains/(Losses) on Marketable Securities | Defined Benefit Plans | Total | Qualified Cash Flow Hedging Instruments | Unrealized Gains on Marketable Securities | Defined Benefit Plans | Total |
| Balance as of January 1 st | \$ (12.4) | \$ 0.7 | \$ (62.3) | \$ (74.0) | \$ (14.4) | \$ 0.4 | \$ (32.0) | \$ (46.0) |
| OCI Before Reclassifications | - | (2.6) | 3.5 | 0.9 | - | 0.3 | (34.2) | (33.9) |
| Amounts Reclassified from AOCI | 2.1 | - | 4.2 | 6.3 | 2.0 | - | 3.9 | 5.9 |
| Net OCI | 2.1 | (2.6) | 7.7 | 7.2 | 2.0 | 0.3 | (30.3) | (28.0) |
| Balance as of December 31 st | \$ (10.3) | \$ (1.9) | \$ (54.6) | \$ (66.8) | \$ (12.4) | \$ 0.7 | \$ (62.3) | \$ (74.0) |

Eversource's qualified cash flow hedging instruments represent interest rate swap agreements on debt issuances that were settled in prior years. The settlement amount was recorded in AOCI and is being amortized into Net Income over the term of the underlying debt instrument. CL&P, PSNH and WMECO continue to amortize interest rate swaps settled in prior years from AOCI into Interest Expense over the remaining life of the associated long-term debt. Such interest rate swaps are not material to their respective financial statements.

The amortization expense of actuarial gains and losses and prior service cost on the defined benefit plans is amortized from AOCI into Operations and Maintenance over the average future employee service period, and is reflected in amounts reclassified from AOCI.

Defined benefit plan OCI amounts before reclassifications relate to actuarial gains and losses that arose during the year and were recognized in AOCI. The related tax effects recognized in AOCI during 2015 and 2013 were net deferred tax liabilities of \$2 million in 2015 and \$11.4 million in 2013, respectively, and net deferred tax assets of \$22.3 million in 2014.

The following table sets forth the amounts reclassified from AOCI by component and the impacted line item on the statements of income:

| Eversource (Millions of Dollars) | Amounts Reclassified from AOCI For the Years Ended December 31, | | | Statements of Income Line Item Impacted |
|-----------------------------------------------------|--------------------------------------------------------------------|----------|-----------|--------------------------------------------|
| | 2015 | 2014 | 2013 | |
| Qualified Cash Flow Hedging Instruments | \$ (3.5) | \$ (3.4) | \$ (3.4) | Interest Expense |
| Tax Effect | 1.4 | 1.4 | 1.4 | Income Tax Expense |
| Qualified Cash Flow Hedging Instruments, Net of Tax | \$ (2.1) | \$ (2.0) | \$ (2.0) | |
| Defined Benefit Plan Costs: | | | | |
| Amortization of Actuarial Losses | \$ (6.6) | \$ (6.2) | \$ (10.5) | Operations and Maintenance (1) |
| Amortization of Prior Service Cost | (0.2) | (0.2) | (0.2) | Operations and Maintenance (1) |
| Total Defined Benefit Plan Costs | (6.8) | (6.4) | (10.7) | |
| Tax Effect | 2.6 | 2.5 | 4.3 | Income Tax Expense |
| Defined Benefit Plan Costs, Net of Tax | \$ (4.2) | \$ (3.9) | \$ (6.4) | |
| Total Amounts Reclassified from AOCI, Net of Tax | \$ (6.3) | \$ (5.9) | \$ (8.4) | |

(1) These amounts are included in the computation of net periodic Pension, SERP and PBOP costs. See Note 9A, "Employee Benefits - Pension Benefits and Postretirement Benefits Other Than Pensions," for further information.

As of December 31, 2015, it was estimated that a pre-tax amount of \$3.6 million (including \$0.7 million for CL&P, \$2 million for PSNH and \$0.7 million for WMECO) will be reclassified from AOCI as a decrease to Net Income over the next 12 months as a result of the amortization of the interest rate swap agreements which have been settled. In addition, it is estimated that a pre-tax amount of \$6 million will be reclassified from AOCI as a decrease to Net Income over the next 12 months as a result of the amortization of Pension, SERP and PBOP costs.

15. DIVIDEND RESTRICTIONS

Eversource parent's ability to pay dividends may be affected by certain state statutes, the ability of its subsidiaries to pay common dividends and the leverage restriction tied to its consolidated total debt to total capitalization ratio requirement in its revolving credit agreement.

CL&P, NSTAR Electric, PSNH and WMECO are subject to Section 305 of the Federal Power Act that makes it unlawful for a public utility to make or pay a dividend from any funds "properly included in its capital account." Management believes that this Federal Power Act restriction, as applied to CL&P, NSTAR Electric, PSNH and WMECO, would not be construed or applied by the FERC to prohibit the payment of dividends from retained earnings for lawful and legitimate business purposes. In addition, certain state statutes may impose additional limitations on such companies and on

Yankee Gas and NSTAR Gas. Such state law restrictions do not restrict the payment of dividends from retained earnings or net income. Pursuant to the joint revolving credit agreement of Eversource, CL&P, PSNH, WMECO, Yankee Gas and NSTAR Gas, and to the NSTAR Electric revolving credit agreement, each company is required to maintain consolidated total debt to total capitalization ratio of no greater than 65 percent at the end of each fiscal quarter. As of December 31, 2015, all companies were in compliance with such covenant. The Retained Earnings balances subject to these restrictions were \$2.8 billion for Eversource, \$1.2 billion for CL&P, \$1.6 billion for NSTAR Electric, \$494.9 million for PSNH and \$198.1 million for WMECO as of December 31, 2015. As of December 31, 2015, Eversource, CL&P, NSTAR Electric, PSNH, WMECO, Yankee Gas and NSTAR Gas were in compliance with all such provisions of the revolving credit agreements that may restrict the payment of dividends. PSNH is further required to reserve an additional amount under its FERC hydroelectric license conditions. As of December 31, 2015, \$13.4 million of PSNH's Retained Earnings was subject to restriction under its FERC hydroelectric license conditions and PSNH was in compliance with this provision.

16. COMMON SHARES

The following table sets forth the Eversource parent common shares and those of CL&P, NSTAR Electric, PSNH and WMECO that were authorized and issued as well as the respective per share par values:

| | Per Share Par Value | Shares | | |
|----------------|------------------------|---------------------------------------------------|------------------------------|-------------|
| | | Authorized as of December 31, 2015 and 2014 | Issued as of December 31, | |
| | | | 2015 | 2014 |
| Eversource | \$ 5 | 380,000,000 | 333,862,615 | 333,359,172 |
| CL&P | \$ 10 | 24,500,000 | 6,035,205 | 6,035,205 |
| NSTAR Electric | \$ 1 | 100,000,000 | 100 | 100 |
| PSNH | \$ 1 | 100,000,000 | 301 | 301 |
| WMECO | \$ 25 | 1,072,471 | 434,653 | 434,653 |

As of December 31, 2015 and 2014, there were 16,671,366 and 16,375,835 Eversource common shares held as treasury shares, respectively. As of December 31, 2015 and 2014, Eversource common shares outstanding were 317,191,249 and 316,983,337, respectively. In May 2015, the Company repurchased 532,521 Eversource common shares at a share price of \$47.94. Such shares are included in Treasury Stock on the consolidated balance sheet at their weighted average original average cost of \$26.02 per share.

17. PREFERRED STOCK NOT SUBJECT TO MANDATORY REDEMPTION

The CL&P and NSTAR Electric preferred stock is not subject to mandatory redemption and is presented as a noncontrolling interest of a subsidiary in Eversource's financial statements.

CL&P is authorized to issue up to 9,000,000 shares of preferred stock, par value \$50 per share, and NSTAR Electric is authorized to issue 2,890,000 shares of preferred stock, par value \$100 per share. Holders of preferred stock of CL&P and NSTAR Electric are entitled to receive cumulative dividends in preference to any payment of dividends on the common stock. Upon liquidation, holders of preferred stock of CL&P and NSTAR Electric are entitled to receive a liquidation preference before any distribution to holders of common stock in an amount equal to the par value of the preferred stock plus accrued and unpaid dividends. If the net assets were to be insufficient to pay the liquidation preference in full, then the net assets would be distributed ratably to all holders of preferred stock. The preferred stock of CL&P and NSTAR Electric is subject to optional redemption by the CL&P and NSTAR Electric Board of Directors at any time.

Details of preferred stock not subject to mandatory redemption are as follows (in millions except in redemption price and shares):

| Series | Redemption Price Per Share | Shares Outstanding as of December 31, 2015 and 2014 | As of December 31, | |
|----------------------------------------------------|-------------------------------|--------------------------------------------------------|--------------------|----------|
| | | | 2015 | 2014 |
| CL&P | | | | |
| \$ 1.90 Series of 1947 | \$ 52.50 | 163,912 | \$ 8.2 | \$ 8.2 |
| \$ 2.00 Series of 1947 | \$ 54.00 | 336,088 | 16.8 | 16.8 |
| \$ 2.04 Series of 1949 | \$ 52.00 | 100,000 | 5.0 | 5.0 |
| \$ 2.20 Series of 1949 | \$ 52.50 | 200,000 | 10.0 | 10.0 |
| 3.90 % Series of 1949 | \$ 50.50 | 160,000 | 8.0 | 8.0 |
| \$ 2.06 Series E of 1954 | \$ 51.00 | 200,000 | 10.0 | 10.0 |
| \$ 2.09 Series F of 1955 | \$ 51.00 | 100,000 | 5.0 | 5.0 |
| 4.50 % Series of 1956 | \$ 50.75 | 104,000 | 5.2 | 5.2 |
| 4.96 % Series of 1958 | \$ 50.50 | 100,000 | 5.0 | 5.0 |
| 4.50 % Series of 1963 | \$ 50.50 | 160,000 | 8.0 | 8.0 |
| 5.28 % Series of 1967 | \$ 51.43 | 200,000 | 10.0 | 10.0 |
| \$ 3.24 Series G of 1968 | \$ 51.84 | 300,000 | 15.0 | 15.0 |
| 6.56 % Series of 1968 | \$ 51.44 | 200,000 | 10.0 | 10.0 |
| Total CL&P | | 2,324,000 | \$ 116.2 | \$ 116.2 |
| NSTAR Electric | | | | |
| 4.25 % Series | \$ 103.625 | 180,000 | \$ 18.0 | \$ 18.0 |
| 4.78 % Series | \$ 102.80 | 250,000 | 25.0 | 25.0 |
| Total NSTAR Electric | | 430,000 | \$ 43.0 | \$ 43.0 |
| Fair Value Adjustment due to Merger with NSTAR | | | (3.6) | (3.6) |
| Total Eversource - Preferred Stock of Subsidiaries | | | \$ 155.6 | \$ 155.6 |

18. COMMON SHAREHOLDERS' EQUITY AND NONCONTROLLING INTERESTS

Dividends on the preferred stock of CL&P and NSTAR Electric totaled \$7.5 million, \$7.5 million and \$7.7 million for the years ended December 31, 2015, 2014 and 2013. These dividends were presented as Net Income Attributable to Noncontrolling Interests on the Eversource statements of income. Noncontrolling Interest – Preferred Stock of Subsidiaries on the Eversource balance sheets totaled \$155.6 million as of December 31, 2015 and 2014. Common Shareholders' Equity was fully attributable to the parent and Noncontrolling Interest – Preferred Stock of Subsidiaries was fully attributable to the noncontrolling interest on the Eversource balance sheets.

For the years ended December 31, 2015, 2014 and 2013, there was no change in ownership of the common equity of CL&P and NSTAR Electric.

19. EARNINGS PER SHARE

Basic EPS is computed based upon the weighted average number of common shares outstanding during each period. Diluted EPS is computed on the basis of the weighted average number of common shares outstanding during each period plus the potential dilutive effect of certain share-based compensation awards as if they were converted into common shares. For the years ended December 31, 2015, 2014 and 2013, there were 1,474, 3,643 and 1,575 antidilutive share awards excluded from the computation of diluted EPS, respectively.

The following table sets forth the components of basic and diluted EPS:

| Eversource (Millions of Dollars, except share information) | For the Years Ended December 31, | | |
|---------------------------------------------------------------|----------------------------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Income Attributable to Common Shareholders | \$ 878.5 | \$ 819.5 | \$ 786.0 |
| Weighted Average Common Shares Outstanding: | | | |
| Basic | 317,336,881 | 316,136,748 | 315,311,387 |
| Dilutive Effect | 1,095,806 | 1,280,666 | 899,773 |
| Diluted | 318,432,687 | 317,417,414 | 316,211,160 |
| Basic EPS | \$ 2.77 | \$ 2.59 | \$ 2.49 |
| Diluted EPS | \$ 2.76 | \$ 2.58 | \$ 2.49 |

RSU and performance share awards are included in basic weighted average common shares outstanding as of the date that all necessary vesting conditions have been satisfied. The dilutive effect of unvested RSU and performance share awards is calculated using the treasury stock method.

Assumed proceeds of these awards under the treasury stock method consist of the remaining compensation cost to be recognized and a theoretical tax benefit. The theoretical tax benefit is calculated as the tax impact of the intrinsic value of the awards (the difference between the market value of the average awards outstanding for the period, using the average market price during the period, and the grant date market value).

The dilutive effect of stock options to purchase common shares is also calculated using the treasury stock method. Assumed proceeds for stock options consist of cash proceeds that would be received upon exercise, and a theoretical tax benefit. The theoretical tax benefit is calculated as the tax impact of the intrinsic value of the stock options (the difference between the market value of the average stock options outstanding for the period, using the average market price during the period, and the exercise price).

20. SEGMENT INFORMATION

Presentation: Eversource is organized between the Electric Distribution, Electric Transmission and Natural Gas Distribution reportable segments and Other based on a combination of factors, including the characteristics of each segments' products and services, the sources of operating revenues and expenses and the regulatory environment in which each segment operates. These reportable segments represent substantially all of Eversource's total consolidated revenues. Revenues from the sale of electricity and natural gas primarily are derived from residential, commercial and industrial customers and are not dependent on any single customer. The Electric Distribution reportable segment includes the generation activities of PSNH and WMECO.

The remainder of Eversource's operations is presented as Other in the tables below and primarily consists of 1) the equity in earnings of Eversource parent from its subsidiaries and intercompany interest income, both of which are eliminated in consolidation, and interest expense related to the debt of Eversource parent, 2) the revenues and expenses of Eversource Service, most of which are eliminated in consolidation, 3) the operations of CYAPC and YAEAC, 4) the results of Eversource Gas Transmission LLC and 5) the results of other unregulated subsidiaries, which are not part of its core business.

Cash flows used for investments in plant included in the segment information below are cash capital expenditures that do not include amounts incurred but not paid, cost of removal, AFUDC related to equity funds, and the capitalized portions of pension expense.

Eversource's reportable segments are determined based upon the level at which Eversource's chief operating decision maker assesses performance and makes decisions about the allocation of company resources. Each of Eversource's subsidiaries, including CL&P, NSTAR Electric, PSNH and WMECO, has one reportable segment. Eversource's operating segments and reporting units are consistent with its reportable business segments.

Eversource's segment information is as follows:

| For the Year Ended December 31, 2015 | | | | | | |
|--------------------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|--------------|---------------------|--------------|
| Eversource (Millions of Dollars) | Electric Distribution | Natural Gas Distribution | Electric Transmission | Other | Eliminations | Total |
| Operating Revenues | \$ 5,903.6 | \$ 995.5 | \$ 1,069.1 | \$ 863.6 | \$ (877.0) | \$ 7,954.8 |
| Depreciation and Amortization | (425.2) | (70.5) | (165.6) | (29.0) | 2.1 | (688.2) |
| Other Operating Expenses | (4,470.2) | (776.7) | (314.9) | (817.9) | 877.3 | (5,502.4) |
| Operating Income | 1,008.2 | 148.3 | 588.6 | 16.7 | 2.4 | 1,764.2 |
| Interest Expense | (186.3) | (36.9) | (105.8) | (48.0) | 4.6 | (372.4) |
| Interest Income | 5.7 | 0.1 | 1.6 | 4.4 | (5.1) | 6.7 |
| Other Income, Net | 7.2 | 0.8 | 14.5 | 977.8 | (972.8) | 27.5 |
| Income Tax (Expense)/Benefit | (322.8) | (40.1) | (191.6) | 14.5 | - | (540.0) |
| Net Income | 512.0 | 72.2 | 307.3 | 965.4 | (970.9) | 886.0 |
| Net Income Attributable to Noncontrolling Interests | (4.7) | - | (2.8) | - | - | (7.5) |
| Net Income Attributable to Common Shareholders | \$ 507.3 | \$ 72.2 | \$ 304.5 | \$ 965.4 | \$ (970.9) | \$ 878.5 |
| Total Assets (as of) | \$ 17,981.3 | \$ 3,104.5 | \$ 8,019.3 | \$ 13,256.7 | \$ (11,781.5) | \$ 30,580.3 |
| Cash Flows Used for Investments in Plant | \$ 718.9 | \$ 182.2 | \$ 749.1 | \$ 73.9 | \$ - | \$ 1,724.1 |

| For the Year Ended December 31, 2014 | | | | | | |
|--------------------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|--------------|---------------------|--------------|
| Eversource (Millions of Dollars) | Electric Distribution | Natural Gas Distribution | Electric Transmission | Other | Eliminations | Total |
| Operating Revenues | \$ 5,663.4 | \$ 1,007.3 | \$ 1,018.2 | \$ 790.9 | \$ (737.9) | \$ 7,741.9 |
| Depreciation and Amortization | (384.6) | (68.1) | (150.5) | (42.1) | 19.9 | (625.4) |
| Other Operating Expenses | (4,366.2) | (786.7) | (302.1) | (748.0) | 719.3 | (5,483.7) |
| Operating Income | 912.6 | 152.5 | 565.6 | 0.8 | 1.3 | 1,632.8 |
| Interest Expense | (191.6) | (34.0) | (104.1) | (36.6) | 4.2 | (362.1) |
| Interest Income | 5.1 | - | 0.9 | 3.6 | (3.6) | 6.0 |
| Other Income, Net | 10.7 | 0.2 | 10.3 | 916.0 | (918.6) | 18.6 |
| Income Tax (Expense)/Benefit | (269.7) | (46.4) | (174.5) | 22.3 | - | (468.3) |
| Net Income | 467.1 | 72.3 | 298.2 | 906.1 | (916.7) | 827.0 |
| Net Income Attributable to Noncontrolling Interests | (4.7) | - | (2.8) | - | - | (7.5) |
| Net Income Attributable to Common Shareholders | \$ 462.4 | \$ 72.3 | \$ 295.4 | \$ 906.1 | \$ (916.7) | \$ 819.5 |
| Total Assets (as of) | \$ 17,536.9 | \$ 3,029.3 | \$ 7,615.6 | \$ 12,664.9 | \$ (11,106.3) | \$ 29,740.4 |
| Cash Flows Used for Investments in Plant | \$ 645.2 | \$ 176.7 | \$ 731.6 | \$ 50.2 | \$ - | \$ 1,603.7 |

| For the Year Ended December 31, 2013 | | | | | | |
|--------------------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|--------------|---------------------|--------------|
| Eversource (Millions of Dollars) | Electric Distribution | Natural Gas Distribution | Electric Transmission | Other | Eliminations | Total |
| Operating Revenues | \$ 5,362.3 | \$ 855.8 | \$ 978.7 | \$ 777.5 | \$ (673.1) | \$ 7,301.2 |
| Depreciation and Amortization | (604.8) | (66.7) | (136.2) | (62.2) | 10.2 | (859.7) |
| Other Operating Expenses | (3,927.7) | (659.4) | (281.8) | (715.0) | 671.8 | (4,912.1) |
| Operating Income | 829.8 | 129.7 | 560.7 | 0.3 | 8.9 | 1,529.4 |
| Interest Expense | (175.0) | (33.1) | (100.3) | (35.5) | 5.2 | (338.7) |
| Interest Income | 4.1 | - | 0.7 | 5.4 | (5.6) | 4.6 |
| Other Income, Net | 12.9 | 0.8 | 10.9 | 858.9 | (858.2) | 25.3 |
| Income Tax (Expense)/Benefit | (240.0) | (36.5) | (182.1) | 31.9 | (0.2) | (426.9) |
| Net Income | 431.8 | 60.9 | 289.9 | 861.0 | (849.9) | 793.7 |
| Net Income Attributable to Noncontrolling Interests | (4.8) | - | (2.9) | - | - | (7.7) |
| Net Income Attributable to Common Shareholders | \$ 427.0 | \$ 60.9 | \$ 287.0 | \$ 861.0 | \$ (849.9) | \$ 786.0 |
| Cash Flows Used for Investments in Plant | \$ 639.0 | \$ 168.1 | \$ 618.5 | \$ 31.2 | \$ - | \$ 1,456.8 |

Eversource recorded approximately \$3.2 billion of goodwill in connection with the 2012 merger with NSTAR and \$0.3 billion of goodwill related to the acquisition of the parent of Yankee Gas in 2000.

Goodwill is not subject to amortization, however is subject to a fair value based assessment for impairment at least annually and whenever facts or circumstances indicate that there may be an impairment. A resulting write-down, if any, would be charged to Operating Expenses. Eversource's reporting units for the purpose of testing goodwill for impairment are Electric Distribution, Electric Transmission and Natural Gas Distribution. These reporting units are consistent with the operating segments underlying the reportable segments identified in Note 20, "Segment Information," to the financial statements.

The annual goodwill assessment included an evaluation of the Company's share price and credit ratings, analyst reports, financial performance, cost and risk factors, long-term strategy, growth and future projections, as well as macroeconomic, industry and market conditions. Eversource completed its annual goodwill impairment test for each of its reporting units as of October 1, 2015 and determined that no impairment existed. There were no events subsequent to October 1, 2015 that indicated impairment of goodwill.

There were no changes to the goodwill balance or the allocation of goodwill as of December 31, 2015 or 2014. The following table presents goodwill by reportable segment:

| | As of December 31, 2015 and 2014 | | | |
|-----------------------|----------------------------------|-----------------------|--------------------------|--------|
| | Electric Distribution | Electric Transmission | Natural Gas Distribution | Total |
| (Billions of Dollars) | | | | |
| Goodwill | \$ 2.5 | \$ 0.6 | \$ 0.4 | \$ 3.5 |

22. VARIABLE INTEREST ENTITIES

The Company's variable interests outside of the consolidated group are not material and consist of contracts that are required by regulation and provide for regulatory recovery of contract costs and benefits through customer rates. Eversource, CL&P and NSTAR Electric hold variable interests in variable interest entities (VIEs) through agreements with certain entities that own single renewable energy or peaking generation power plants and with other independent power producers. Eversource, CL&P and NSTAR Electric do not control the activities that are economically significant to these VIEs or provide financial or other support to these VIEs. Therefore, Eversource, CL&P and NSTAR Electric do not consolidate any power plant VIEs.

23. QUARTERLY FINANCIAL DATA (UNAUDITED)

| Eversource (Millions of Dollars, except per share information) | Quarter Ended | | | | | | | |
|----------------------------------------------------------------------|---------------|------------|---------------|--------------|------------|------------|---------------|--------------|
| | 2015 | | | | 2014 | | | |
| | March 31, | June 30, | September 30, | December 31, | March 31, | June 30, | September 30, | December 31, |
| Operating Revenues | \$ 2,513.4 | \$ 1,817.1 | \$ 1,933.1 | \$ 1,691.2 | \$ 2,290.6 | \$ 1,677.6 | \$ 1,892.5 | \$ 1,881.2 |
| Operating Income | 497.5 | 412.0 | 469.2 | 385.5 | 467.7 | 294.0 | 440.9 | 430.2 |
| Net Income | 255.1 | 209.4 | 237.8 | 183.7 | 237.8 | 129.2 | 236.5 | 223.6 |
| Net Income Attributable to Common Shareholders | 253.3 | 207.5 | 235.9 | 181.8 | 236.0 | 127.4 | 234.6 | 221.5 |
| Basic EPS (a) | \$ 0.80 | \$ 0.65 | \$ 0.74 | \$ 0.57 | \$ 0.75 | \$ 0.40 | \$ 0.74 | \$ 0.69 |
| Diluted EPS (a) | \$ 0.80 | \$ 0.65 | \$ 0.74 | \$ 0.57 | \$ 0.74 | \$ 0.40 | \$ 0.74 | \$ 0.69 |

(a) The summation of quarterly EPS data may not equal annual data due to rounding.

| (Millions of Dollars) | Quarter Ended | | | | | | | |
|-----------------------|---------------|----------|---------------|--------------|-----------|----------|---------------|--------------|
| | 2015 | | | | 2014 | | | |
| | March 31, | June 30, | September 30, | December 31, | March 31, | June 30, | September 30, | December 31, |
| CL&P | | | | | | | | |
| Operating Revenues | \$ 804.9 | \$ 666.6 | \$ 704.3 | \$ 626.9 | \$ 734.6 | \$ 587.3 | \$ 695.6 | \$ 675.1 |
| Operating Income | 141.8 | 154.0 | 161.1 | 154.2 | 158.0 | 92.1 | 146.2 | 159.0 |
| Net Income | 69.2 | 78.8 | 80.2 | 71.2 | 79.3 | 37.4 | 83.9 | 87.2 |
| NSTAR Electric | | | | | | | | |
| Operating Revenues | \$ 766.8 | \$ 617.2 | \$ 750.7 | \$ 546.6 | \$ 666.2 | \$ 561.5 | \$ 727.9 | \$ 581.1 |
| Operating Income | 159.5 | 151.4 | 214.2 | 117.7 | 118.4 | 121.5 | 206.6 | 132.0 |
| Net Income | 83.6 | 82.0 | 118.6 | 60.3 | 58.1 | 60.1 | 115.6 | 69.3 |
| PSNH | | | | | | | | |
| Operating Revenues | \$ 284.8 | \$ 241.9 | \$ 234.4 | \$ 211.1 | \$ 299.8 | \$ 211.6 | \$ 223.7 | \$ 224.4 |
| Operating Income | 63.2 | 54.1 | 63.6 | 49.3 | 64.0 | 49.0 | 56.4 | 60.0 |
| Net Income | 32.0 | 27.9 | 32.5 | 22.0 | 32.6 | 24.1 | 28.2 | 29.0 |
| WMECO | | | | | | | | |
| Operating Revenues | \$ 152.9 | \$ 125.2 | \$ 125.1 | \$ 114.9 | \$ 137.4 | \$ 108.3 | \$ 118.1 | \$ 129.6 |
| Operating Income | 28.6 | 28.9 | 30.0 | 28.0 | 34.7 | 17.7 | 31.2 | 34.0 |
| Net Income | 13.2 | 14.2 | 15.0 | 14.1 | 18.1 | 7.0 | 14.7 | 18.0 |

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No events that would be described in response to this item have occurred with respect to Eversource, CL&P, NSTAR Electric, PSNH or WMECO.

Item 9A. Controls and Procedures

Management, on behalf of Eversource, CL&P, NSTAR Electric, PSNH and WMECO, is responsible for the preparation, integrity, and fair presentation of the accompanying Consolidated Financial Statements and other sections of this combined Annual Report on Form 10-K. Eversource's internal controls over financial reporting were audited by Deloitte & Touche LLP.

Management, on behalf of Eversource, CL&P, NSTAR Electric, PSNH and WMECO, is responsible for establishing and maintaining adequate internal controls over financial reporting. The internal control framework and processes have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. There are inherent limitations of internal controls over financial reporting that could allow material misstatements due to error or fraud to occur and not be prevented or detected on a timely basis by employees during the normal course of business. Additionally, internal controls over financial reporting may become inadequate in the future due to changes in the business environment. Under the supervision and with the participation of the principal executive officer and principal financial officer, an evaluation of the effectiveness of internal controls over financial reporting was conducted based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the framework in COSO, management concluded that internal controls over financial reporting at Eversource, CL&P, NSTAR Electric, PSNH and WMECO were effective as of December 31, 2015.

Management, on behalf of Eversource, CL&P, NSTAR Electric, PSNH and WMECO, evaluated the design and operation of the disclosure controls and procedures as of December 31, 2015 to determine whether they are effective in ensuring that the disclosure of required information is made timely and in accordance with the Securities Exchange Act of 1934 and the rules and regulations of the SEC. This evaluation was made under management's supervision and with management's participation, including the principal executive officer and principal financial officer as of the end of the period covered by this Annual Report on Form 10-K. There are inherent limitations of disclosure controls and procedures, including the possibility of human error and the circumventing or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. The principal executive officer and principal financial officer have concluded, based on their review, that the disclosure controls and procedures of Eversource, CL&P, NSTAR Electric, PSNH and WMECO are effective to ensure that information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized, and reported within the time periods specified in SEC rules and regulations and (ii) is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

There have been no changes in internal controls over financial reporting for Eversource, CL&P, NSTAR Electric, PSNH and WMECO during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

Item 9B. Other Information

No information is required to be disclosed under this item as of December 31, 2015, as this information has been previously disclosed in applicable reports on Form 8-K during the fourth quarter of 2015.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information in Item 10 is provided as of February 16, 2016, except where otherwise indicated.

Certain information required by this Item 10 is omitted for NSTAR Electric, PSNH and WMECO pursuant to Instruction I(2)(c) to Form 10-K, Omission of Information by Certain Wholly Owned Subsidiaries.

Eversource Energy

In addition to the information provided below concerning the executive officers of Eversource Energy, incorporated herein by reference is the information to be contained in the sections captioned "Election of Trustees," "Governance of Eversource Energy" and the related subsections, "Selection of Trustees," and "Section 16(a) Beneficial Ownership Reporting Compliance" of Eversource Energy's definitive proxy statement for solicitation of proxies, expected to be filed with the SEC on or about March 24, 2016.

Eversource Energy and CL&P

Each member of CL&P's Board of Directors is an employee of CL&P, Eversource Energy or an affiliate. Directors are elected annually to serve for one year until their successors are elected and qualified.

Set forth below is certain information as of February 16, 2016 concerning CL&P's Directors and Eversource Energy's and CL&P's executive officers:

| Name | Age | Title |
|-----------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Thomas J. May | 68 | Chairman of the Board, President and Chief Executive Officer of Eversource Energy and Eversource Service; Chairman and a Director of the Regulated companies, including CL&P |
| James J. Judge | 60 | Executive Vice President and Chief Financial Officer of Eversource Energy and Executive Vice President and Chief Financial Officer and a Director of Eversource Service and the Regulated companies, including CL&P |
| Leon J. Olivier | 67 | Executive Vice President-Enterprise Energy Strategy and Business Development of Eversource Energy and Eversource Service |
| David R. McHale ¹ | 55 | Executive Vice President and Chief Administrative Officer of Eversource Energy and Eversource Service |
| Werner J. Schweiger | 56 | Executive Vice President and Chief Operating Officer of Eversource Energy and Eversource Service; Chief Executive Officer and a Director of the Regulated companies, including CL&P |
| Gregory B. Butler | 58 | Senior Vice President and General Counsel of Eversource Energy and Eversource Service; Senior Vice President and General Counsel and a Director of the Regulated companies, including CL&P |
| Christine M. Carmody ² | 53 | Senior Vice President-Human Resources of Eversource Service |
| Joseph R. Nolan, Jr. ² | 52 | Senior Vice President-Corporate Relations of Eversource Service |
| Jay S. Buth | 46 | Vice President, Controller and Chief Accounting Officer of Eversource Energy, Eversource Service and the Regulated companies, including CL&P |

¹ Deemed an executive officer of CL&P pursuant to Rule 3b-7 under the Securities Exchange Act of 1934.

² Deemed an executive officer of Eversource Energy and CL&P pursuant to Rule 3b-7 under the Securities Exchange Act of 1934.

Thomas J. May. Mr. May has served as Chairman of the Board of Eversource Energy since October 10, 2013, and as President and Chief Executive Officer and as a Trustee of Eversource Energy; as Chairman and a Director of CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas; and as Chairman, President and Chief Executive Officer and a Director of Eversource Service since April 10, 2012. Mr. May has served as a Director of NSTAR Electric and NSTAR Gas since September 27, 1999. Mr. May previously served as Chairman, President and Chief Executive Officer and a Trustee of NSTAR, and as Chairman, President and Chief Executive Officer of NSTAR Electric and NSTAR Gas until April 10, 2012. He served as Chairman, Chief Executive Officer and a Trustee since NSTAR was formed in 1999, and was elected President in 2002. Mr. May has served as Chairman of the Board of Eversource Energy Foundation, Inc. since October 15, 2013, and as a Director of Eversource Energy Foundation, Inc. since April 10, 2012. He previously served as President of Eversource Energy Foundation, Inc. from October 15, 2013 to September 29, 2014. He has served as a Trustee of the NSTAR Foundation since August 18, 1987.

James J. Judge. Mr. Judge has served as Executive Vice President and Chief Financial Officer of Eversource Energy, CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO, Yankee Gas and Eversource Service and as a Director of CL&P, PSNH, WMECO, Yankee Gas and Eversource Service since April 10, 2012 and of NSTAR Electric and NSTAR Gas since September 27, 1999. Previously, Mr. Judge served as Senior Vice President and Chief Financial Officer of NSTAR, NSTAR Electric and NSTAR Gas from 1999 until April 2012. Mr. Judge has served as Treasurer and as a Director of Eversource Energy Foundation, Inc. since April 10, 2012. He has served as a Trustee of the NSTAR Foundation since December 12, 1995.

Leon J. Olivier. Mr. Olivier has served as Executive Vice President-Enterprise Energy Strategy and Business Development of Eversource Energy since September 2, 2014 and as a Director of Eversource Service since January 17, 2005. Mr. Olivier previously served as Executive Vice President

and Chief Operating Officer of Eversource Energy and Eversource Service from May 13, 2008 until September 2, 2014, and as Chief Executive Officer of NSTAR Electric and NSTAR Gas from April 10, 2012 until August 11, 2014, of CL&P, PSNH, WMECO and Yankee Gas from January 15, 2007 to September 29, 2014, and of CL&P from September 10, 2001 to September 29, 2014, and as a Director of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014, of PSNH, WMECO and Yankee Gas from January 17, 2005 to September 29, 2014, and of CL&P from September 10, 2001 to September 29, 2014. Previously, Mr. Olivier served as Executive Vice President-Operations of Eversource Energy from February 13, 2007 to May 12, 2008. He has served as a Director of Eversource Energy Foundation, Inc. since April 1, 2006. Mr. Olivier has served as a Trustee of the NSTAR Foundation since April 10, 2012.

David R. McHale. Mr. McHale has served as Executive Vice President and Chief Administrative Officer of Eversource Energy and Eversource Service since April 10, 2012 and as a Director of Eversource Service since January 1, 2005. Mr. McHale previously served as Executive Vice President and Chief Administrative Officer of CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas from April 10, 2012 to September 29, 2014 and as a Director of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014, of PSNH, WMECO and Yankee Gas from January 1, 2005 to September 29, 2014, and of CL&P from January 15, 2007 to September 29, 2014. Previously, Mr. McHale served as Executive Vice President and Chief Financial Officer of Eversource Energy, CL&P, PSNH, WMECO, Yankee Gas and Eversource Service from January 2009 to April 2012, and as Senior Vice President and Chief Financial Officer of Eversource Energy, CL&P, PSNH, WMECO, Yankee Gas and Eversource Service from January 2005 to December 2008. He has served as a Director of Eversource Energy Foundation, Inc. since January 1, 2005. Mr. McHale has served as a Trustee of the NSTAR Foundation since April 10, 2012.

Werner J. Schweiger. Mr. Schweiger has served as Executive Vice President and Chief Operating Officer of Eversource Energy since September 2, 2014 and of Eversource Service since August 11, 2014, and as President of CL&P since June 2, 2015 and as Chief Executive Officer of CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO and Yankee Gas since August 11, 2014, and as a Director of Eversource Service, NSTAR Gas and Yankee Gas since September 29, 2014 and of CL&P, PSNH, NSTAR Electric and WMECO since May 28, 2013. He previously served as President-Electric Distribution of Eversource Service from January 16, 2013 until August 11, 2014 and as President of NSTAR Electric from April 10, 2012 until January 16, 2013 and as a Director of NSTAR Electric from November 27, 2012 to January 16, 2013. From February 27, 2002 until April 10, 2012, Mr. Schweiger was Senior Vice President-Operations of NSTAR Electric and NSTAR Gas. Mr. Schweiger has served as a Director of Eversource Energy Foundation, Inc. since September 29, 2014. He has served as a Trustee of the NSTAR Foundation since September 29, 2014.

Gregory B. Butler. Mr. Butler has served as Senior Vice President and General Counsel of Eversource Energy since May 1, 2014, of NSTAR Electric, and NSTAR Gas since April 10, 2012, and of CL&P, PSNH, WMECO, Yankee Gas and Eversource Service since March 9, 2006. Mr. Butler has served as a Director of NSTAR Electric and NSTAR Gas since April 10, 2012, of Eversource Service since November 27, 2012, and of CL&P, PSNH, WMECO and Yankee Gas since April 22, 2009. Mr. Butler previously served as Senior Vice President, General Counsel and Secretary of Eversource Energy from April 10, 2012 until May 1, 2014, and as Senior Vice President and General Counsel of Eversource Energy from December 1, 2005 to April 10, 2012. He has served as a Director of Eversource Energy Foundation, Inc. since December 1, 2002. He has been a Trustee of the NSTAR Foundation since April 10, 2012.

Christine M. Carmody. Ms. Carmody has served as Senior Vice President-Human Resources of Eversource Service since April 10, 2012 and as a Director of Eversource Service since November 27, 2012. Ms. Carmody previously served as Senior Vice President-Human Resources of CL&P, PSNH, WMECO and Yankee Gas from November 27, 2012 to September 29, 2014, and of NSTAR Electric and NSTAR Gas from August 1, 2008 to September 29, 2014, and as a Director of CL&P, PSNH, WMECO and Yankee Gas from April 10, 2012 to September 29, 2014 and of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014. Previously, Ms. Carmody served as Vice President-Organizational Effectiveness of NSTAR, NSTAR Electric and NSTAR Gas from June 2006 to August 2008. Ms. Carmody has served as a Director of Eversource Energy Foundation, Inc. since April 10, 2012. She has served as a Trustee of the NSTAR Foundation since August 1, 2008.

Joseph R. Nolan, Jr. Mr. Nolan has served as Senior Vice President-Corporate Relations of Eversource Service since April 10, 2012 and as a Director of Eversource Service since November 27, 2012. Mr. Nolan previously served as Senior Vice President-Corporate Relations of NSTAR Electric and NSTAR Gas from April 10, 2012 to September 29, 2014, and of CL&P, PSNH, WMECO and Yankee Gas from November 27, 2012 to September 29, 2014, as a Director of CL&P, PSNH, WMECO and Yankee Gas from April 10, 2012 to September 29, 2014 and of NSTAR Electric and NSTAR Gas from November 27, 2012 to September 29, 2014. Previously, Mr. Nolan served as Senior Vice President-Customer & Corporate Relations of NSTAR, NSTAR Electric and NSTAR Gas from 2006 until April 10, 2012. Mr. Nolan has served as a Director of Eversource Energy Foundation, Inc. since April 10, 2012, and has served as Executive Director of Eversource Energy Foundation, Inc. since October 15, 2013. He has served as a Trustee of the NSTAR Foundation since October 1, 2000.

Jay S. Buth. Mr. Buth has served as Vice President, Controller and Chief Accounting Officer of Eversource Energy, CL&P, NSTAR Electric, NSTAR Gas, PSNH, WMECO, Yankee Gas and Eversource Service since April 10, 2012. Previously, Mr. Buth served as Vice President-Accounting and Controller of Eversource Energy, CL&P, PSNH, WMECO, Yankee Gas and Eversource Service from June 2009 until April 10, 2012. From June 2006 through January 2009, Mr. Buth served as the Vice President and Controller for New Jersey Resources Corporation, an energy services holding company that provides natural gas and wholesale energy services, including transportation, distribution and asset management.

There are no family relationships between any director or executive officer and any other trustee, director or executive officer of Eversource Energy or CL&P and none of the above executive officers or directors serves as an executive officer or director pursuant to any agreement or understanding with any other person. Our executive officers hold the offices set forth opposite their names until the next annual meeting of the Board of Trustees, in the case of Eversource Energy, and the Board of Directors, in the case of CL&P, and until their successors have been elected and qualified.

CL&P obtains audit services from the independent registered public accounting firm engaged by the Audit Committee of Eversource Energy's Board of Trustees. CL&P does not have its own audit committee or, accordingly, an audit committee financial expert. CL&P relies on Eversource Energy's audit committee and the audit committee financial expert.

CODE OF ETHICS AND CODE OF BUSINESS CONDUCT

Each of Eversource Energy, CL&P, NSTAR Electric, PSNH and WMECO has adopted a Code of Ethics for Senior Financial Officers (Chief Executive Officer, Chief Financial Officer and Controller) and the Code of Business Conduct, which are applicable to all Trustees, directors, officers, employees, contractors and agents of Eversource Energy, CL&P, NSTAR Electric, PSNH and WMECO. The Code of Ethics and the Code of Business Conduct have both been posted on the Eversource Energy web site and are available at www.eversource.com/Content/general/about/investors/corporate-governance on the Internet. Any amendments to or waivers from the Code of Ethics and Code of Business Conduct for executive officers, directors or Trustees will be posted on the website. Any such amendment or waiver would require the prior consent of the Board of Trustees or an applicable committee thereof.

Printed copies of the Code of Ethics and the Code of Business Conduct are also available to any shareholder without charge upon written request mailed to:

Richard J. Morrison
Secretary
Eversource Energy
800 Boylston Street, 17th Floor
Boston, Massachusetts 02199-7050

Item 11. Executive Compensation

Eversource Energy

The information required by this Item 11 for Eversource Energy is incorporated herein by reference to certain information contained in Eversource Energy's definitive proxy statement for solicitation of proxies, which is expected to be filed with the SEC on or about March 24, 2016, under the sections captioned "Compensation Discussion and Analysis," plus related subsections, and "Compensation Committee Report," plus related subsections following such Report.

NSTAR ELECTRIC, PSNH and WMECO

Certain information required by this Item 11 has been omitted for NSTAR Electric, PSNH and WMECO pursuant to Instruction I(2)(c) to Form 10-K, Omission of Information by Certain Wholly Owned Subsidiaries.

CL&P

The information in this Item 11 relates solely to CL&P.

COMPENSATION DISCUSSION AND ANALYSIS

CL&P is a wholly-owned subsidiary of Eversource Energy. Its board of directors consists entirely of executive officers of Eversource Energy system companies. CL&P does not have a compensation committee, and the Compensation Committee of Eversource Energy's Board of Trustees determines compensation for the executive officers of CL&P, including their salaries, annual incentive awards and long-term incentive awards. All of CL&P's "Named Executive Officers," as defined below, also serve as officers of Eversource Energy and one or more other subsidiaries of Eversource Energy. Compensation set by the Compensation Committee of Eversource Energy (the "Committee") and set forth herein is for services rendered to Eversource Energy and its subsidiaries by such officers in all capacities.

This Compensation Discussion and Analysis ("CD&A") provides information about the principles behind Eversource Energy's compensation objectives, plans, policies and actions for the Named Executive Officers. The discussion describes the specific components of the compensation program, how Eversource Energy measures performance, and how those principles were applied to compensation awards and decisions that were made by the Compensation Committee for the Named Executive Officers, as presented in the tables and narratives that follow. While this discussion focuses primarily on 2015 information, it also addresses decisions that were made in other periods to the extent that these decisions are relevant to the full understanding of the compensation program and the specific awards that were made for performance in 2015. The CD&A also contains a summary of 2015 performance, an assessment of the performance and the compensation awards made by the Compensation Committee, and other information relating to the Eversource Energy compensation program, including:

- Pay for Performance Philosophy
- Executive Compensation Governance
- The Named Executive Officers
- Overview of the Compensation Program
- Market Analysis
- Elements of 2015 Compensation
- 2015 Annual Incentive Program
- 2015 Assessment of Financial and Operational Performance
- Performance Goal Assessment Matrix
- Description of the Long Term Incentive Program, Grants and Performance Plan Results
- Disclosure of the:
 - Clawback and No Hedging and Pledging Policies
 - Share Ownership Guidelines
 - Other Benefits
- Contractual Agreements
- Tax and Accounting Considerations
- Equity Grant Practices

Summary of 2015 Performance

In 2015, Eversource Energy achieved positive overall financial results and very strong operational performance results. The following is a summary of some of the most important accomplishments in 2015:

Financial Accomplishments

- Eversource Energy's 2015 recurring earnings were \$2.81 per share, excluding merger related costs, a 6 percent increase over 2014 results.
- Eversource Energy continued to achieve operations and maintenance expense reductions through process simplification and redesign and careful spending. Utility operations and maintenance expenses were below 2014 levels.
- Eversource Energy increased its 2015 dividend to \$1.67 per share, a 6.4 percent increase over 2014, continuing to significantly outperform the EEI Index.
- Eversource Energy's total shareholder return in 2015 exceeded the EEI Index and was slightly below the S&P 500. The three-, five-, and 10-year shareholder return continued to outperform the EEI Index.

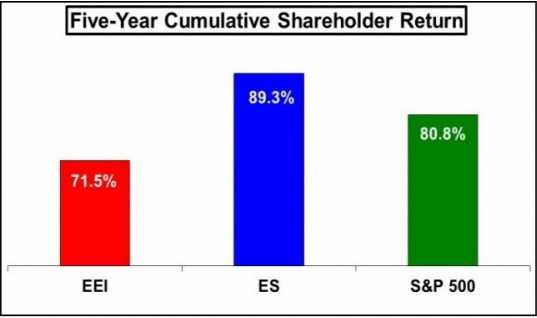
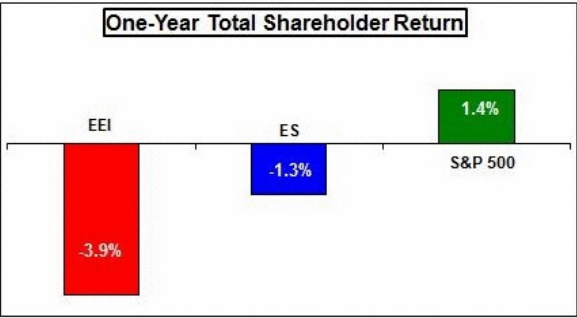
Earnings. Eversource Energy's 2013-2015 recurring earnings per share have grown 7.2 percent, consistent with guidance and well above the utility industry average. A reconciliation between reported earnings per share and the recurring earnings per share presented above appears under the caption entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview" in this Annual Report on Form 10-K for the fiscal year ended December 31, 2015. Recurring earnings per share presented above for all years exclude merger-related costs.



Dividends. Eversource Energy's Board of Trustees increased the annual dividend rate by 6.4 percent for 2015 to \$1.67 per share, twice the Edison Electric Institute (EEI) Index of approximately 50 U.S. utilities' dividend growth rate of 3.2 percent. Dividend growth rate for the period 2013-2015 has totaled 8.2 percent, in line with earnings per share growth and well ahead of the utility industry average.



Total Shareholder Return. Eversource Energy's Total Shareholder Return for 2015 outperformed the EEI Index companies for 2015 and Eversource Energy's Total Shareholder Return outperformed the EEI Index companies and the S&P 500 over the five-year period. An investment of \$1,000 in Eversource Energy common shares at the beginning of the five-year period beginning January 1, 2011 was worth \$1,890 on December 31, 2015.



Operational Accomplishments

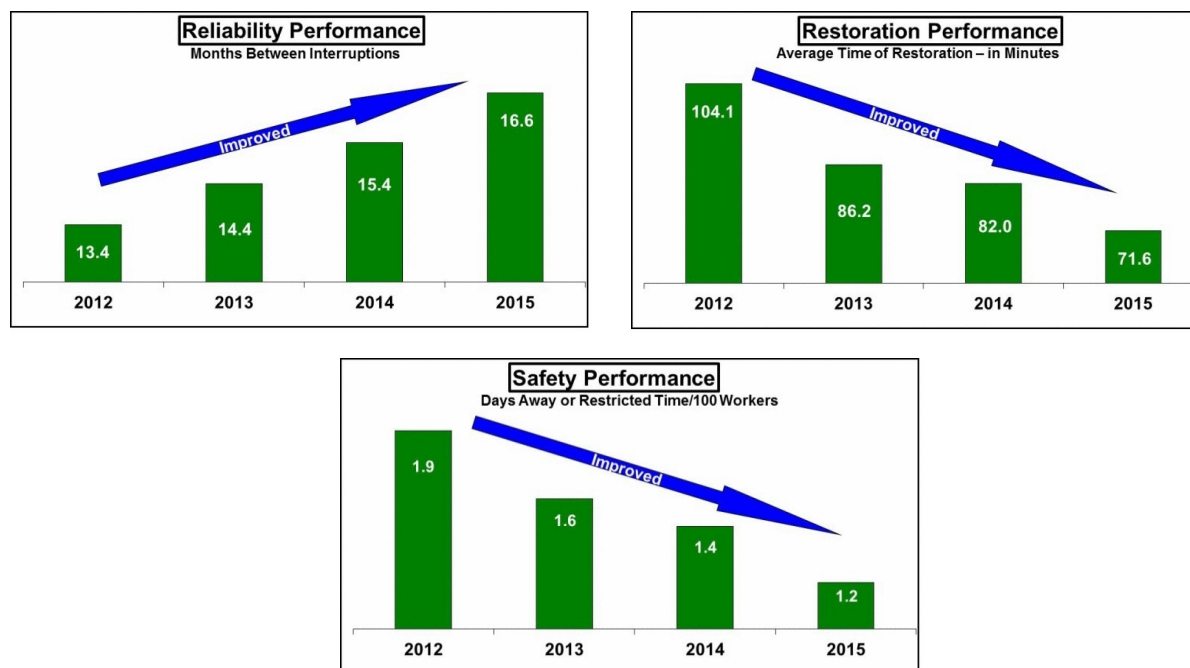
- Eversource Energy's overall electric system performance in 2015 was its best on record and continues to represent top quartile utility industry performance.
- Eversource Energy's Massachusetts subsidiaries, NSTAR Electric Company, NSTAR Gas Company and Western Massachusetts Electric Company, each met or exceeded Service Quality Index performance targets established by Massachusetts regulators, which is the only state Eversource Energy serves that has such performance targets.

- Eversource Energy met or exceeded established goals in safety performance, response to gas service calls, and new gas service connections.
- Eversource Energy achieved the goal of having 34 percent of new hires and promotions within the supervisor and above management group be women and people of color.

Eversource Energy's operating performance continues to be strong. This is the result of the ongoing implementation of best practices, focused spending on reliability improvements to reduce the number and length of outages, and performing work safely each and every day.

Reliability. Eversource Energy's Electric System Reliability, which is measured by months between interruptions and average time to restore power, was in the top quartile of industry peers; on average, customers experienced an outage every 16.6 months during 2015. The average time to restore power continues to decrease significantly, from 104.1 minutes in 2012 to 71.6 minutes in 2015.

Safety. Safety performance measured by days away or restricted time per 100 workers continued to improve for the fourth straight year, from 1.9 in 2012 to 1.2 in 2015.



Achievement of the 2015 performance goals and additional accomplishments and the Compensation Committee's assessment of the performance of Eversource Energy and its executives are more fully described in the section titled "2015 Annual Incentive Program." Specific decisions regarding executive compensation based upon the Committee's assessment of the performance of Eversource Energy and its executives and market data are described in this Compensation Discussion and Analysis below.

Pay for Performance

The Committee links the Named Executive Officers' compensation to performance that will ultimately benefit customers and shareholders of Eversource Energy. Eversource Energy's compensation program is intended to attract and retain the best executive talent, motivate executives to meet or exceed specific stretch financial and operational goals set each year, and compensate executives in a manner that aligns compensation directly with performance. Eversource Energy strives to provide executives with base salary, performance-based annual incentive compensation and long-term incentive compensation opportunities that are competitive with market practices and that reward excellent performance.

Executive Compensation Governance

- The Compensation Committee annually assesses the independence of its compensation consultant, Pay Governance LLC ("Pay Governance"), which is retained directly by the Committee, performs no other consulting or other services for the Company, and has no relationship with the Company that could result in a conflict of interest. The Committee has concluded that Pay Governance is independent and that no conflict of interest exists between Pay Governance and the Company.

- Eversource Energy executive and Trustee share ownership and holding guidelines noted in this CD&A emphasize the importance of share ownership. Under the share ownership guidelines, Eversource Energy requires executives to hold the net shares awarded under the stock compensation program until the share ownership guidelines have been met. In addition, 100 percent of Trustee stock compensation is deferred and not distributed until the Trustee's retirement from the Eversource Energy Board.
- The Compensation Committee has a policy that requires executives to reimburse Eversource Energy for incentive compensation received if earnings were subsequently required to be restated as a result of noncompliance with accounting rules caused by fraud or misconduct.
- Eversource Energy has discontinued the use of "gross ups" in all new or materially amended executive compensation agreements.
- The Compensation Committee approved a policy that prohibits all Eversource Energy Trustees and executives from purchasing financial instruments or otherwise entering into any transactions that are designed to have the effect of hedging or offsetting any decrease in the market value of Eversource Energy common shares. This policy also prohibits all pledges, derivative transactions or short sales involving Eversource Energy common shares or the holding of any Eversource Energy common shares in a margin account.
- Employment agreements provide for "double trigger" change of control acceleration of awards assumed by the surviving company.

Named Executive Officers

The executive officers of CL&P listed in the Summary Compensation Table in this Item 11 whose compensation is discussed in this CD&A are CL&P's principal executive officer during 2015 (Mr. Schweiger), principal financial officer (Mr. Judge) and the three most highly compensated executive officers other than the principal executive officer and principal financial officer serving on December 31, 2015 (Messrs. May, McHale, and Butler) (collectively, referred to as the "Named Executive Officers" or "NEOs"). Each NEO of CL&P also serves as an executive officer of Eversource Energy and one or more other subsidiaries of Eversource Energy. Compensation for the NEOs discussed in this CD&A was paid for all services provided by such individuals in all capacities to Eversource Energy and its subsidiaries. For 2015, CL&P's NEOs are:

- Thomas J. May, Chairman of the Board, President and Chief Executive Officer of Eversource Energy; Chairman of the Board of CL&P
- James J. Judge, Executive Vice President and Chief Financial Officer of Eversource Energy and CL&P
- Werner J. Schweiger, Executive Vice President and Chief Operating Officer of Eversource Energy; Chief Executive Officer of CL&P
- David R. McHale, Executive Vice President and Chief Administrative Officer of Eversource Energy and CL&P
- Gregory B. Butler, Senior Vice President and General Counsel of Eversource Energy and CL&P

Overview of the Compensation Program

The Role of the Compensation Committee. The Eversource Energy Board of Trustees has delegated to the Compensation Committee overall responsibility for establishing the compensation program for those senior executive officers, who are referred to in this Compensation Discussion and Analysis as "executives" and who under the SEC's regulations are deemed to be "officers." In this role, the Committee sets compensation policy and compensation levels, reviews and approves performance goals and evaluates executive performance. Although this discussion and analysis refers principally to compensation for the Named Executive Officers, the same compensation principles and practices apply to all executives. The compensation of Eversource Energy's Chief Executive Officer is subject to the further review and approval of the independent Trustees.

Elements of Compensation. Total direct compensation consists of three elements: base salary, annual cash incentive awards and long-term equity-based incentive awards. Indirect compensation is provided through certain retirement, perquisite, severance, and health and welfare benefit programs.

Eversource Energy's Compensation Objectives. The objectives of Eversource Energy's compensation program are to attract and retain superior executive talent, motivate executives to achieve annual and long-term performance goals set each year, and provide total compensation opportunities that are competitive with market practices. With respect to incentive compensation, the Committee believes it is important to balance short-term goals, such as producing earnings, with longer-term goals, such as long-term value creation and maintaining a strong balance sheet. The Committee also places great emphasis on system reliability and superior customer service. Eversource Energy's compensation program utilizes performance-based incentive compensation to reward individual and corporate performance and to align the interests of executives with Eversource Energy's customers and shareholders. The Committee continually increases expectations to motivate executives and employees to achieve continuous improvement in carrying out their responsibilities to its customers to deliver energy reliably, safely, with respect for the environment and employees, and at a reasonable cost, while providing an above-average total shareholder return to Eversource Energy's shareholders.

Setting Compensation Levels. To ensure that Eversource Energy achieves its goal of providing market-based compensation levels to attract and retain top quality management, the Committee provides executives with target compensation opportunities over time approximately equal to median compensation levels for executive officers of companies comparable to Eversource Energy. To achieve that goal, the Committee and its independent compensation consultant work together to determine the market values of executive direct compensation elements (base salaries, annual incentives and long-term incentives), as well as total compensation, by using competitive market compensation data. The Committee reviews compensation data obtained from utility and general industry surveys and a specific group of peer utility companies.

Role of the Compensation Consultant. The Committee has retained Pay Governance as its independent compensation consultant. Pay Governance reports directly to the Committee and does not provide any other services to Eversource Energy. With the consent of the Committee, Pay Governance works cooperatively with Eversource Energy's management to develop analyses and proposals for presentation to the Committee. The Committee generally relies on Pay Governance for peer group market data and information as to market practices and trends to assess the competitiveness of the compensation Eversource Energy pays to its executives and to review the Committee's proposed compensation decisions.

In February 2016, the Committee assessed the independence of Pay Governance pursuant to SEC and NYSE rules and concluded that it is independent and that no conflict of interest exists that would prevent Pay Governance from independently advising the Committee. In making this assessment, the Committee considered the independence factors enumerated in Rule 10C-1(b) under the Securities Exchange Act of 1934, including the written representations of Pay Governance that Pay Governance does not provide any other services to Eversource Energy, the level of fees received from Eversource Energy as a percentage of Pay Governance's total revenues, the policies and procedures employed by Pay Governance to prevent conflicts of interest, and whether the individual Pay Governance advisers with whom the Committee consulted own any Eversource Energy common shares or have any business or personal relationships with members of the Committee or Eversource Energy's executives.

Role of Management. The role of Eversource Energy's management, and specifically the roles of Eversource Energy's Chief Executive Officer and the Senior Vice President of Human Resources, are to provide current compensation information to the compensation consultant and analyses and recommendations on executive compensation to the Committee based on the market value of the position, individual performance, experience and internal pay equity. Eversource Energy's Chief Executive Officer also provides recommendations on the compensation for the other Named Executive Officers. None of the executives makes recommendations that affect his or her individual compensation.

MARKET ANALYSIS

The Compensation Committee seeks to provide executives with target compensation opportunities using a range that is approximately equal to the median compensation levels for executive officers of utility companies comparable to Eversource Energy. Set forth below is a description of the sources of the compensation data used by the Committee when reviewing 2015 compensation:

- **Utility and general industry survey data.** The Committee reviews compensation information obtained from surveys of diverse groups of utility and general industry companies that represent Eversource Energy's market for executive officer talent. Utility industry data are based on a defined peer set, as discussed below, while general industry data is derived from compensation consultant surveys. General industry data are size-adjusted to ensure a close correlation between the market data and the Company's scope of operations. The Committee used this information, which it obtained from Pay Governance, to determine base salaries and incentive opportunities.
- **Peer group data.** In support of executive pay decisions during 2015, the Committee consulted with Pay Governance, which provided the Committee with a competitive assessment analysis of Eversource Energy's executive compensation levels, as compared to the 20 peer group companies listed in the table below. This peer group was chosen because Eversource Energy believes these companies are similar to Eversource Energy in terms of business model and long-term strategies. In December 2015, the Compensation Committee determined that Pepco Holdings, Inc., Wisconsin Energy Corporation, Integrys Energy Group (which merged with Wisconsin Energy Corporation to form WEC Energy Group, Inc.), TECO Energy Inc., and OGE Energy Corp. should be removed from the peer group. These actions are consistent with the Compensation Committee's past decisions to adjust the peer group to account for the impact of mergers and acquisitions and changes in market capitalization. The Compensation Committee added NiSource Inc., WEC Energy Group, Inc. and Pinnacle West Capital Corporation to the peer group.

| | | |
|-----------------------------------|-----------------------------------|---------------------------------------|
| Alliant Energy Corporation | DTE Energy Company | PPL Corporation |
| Ameren Corporation | Edison International | Public Service Enterprise Group, Inc. |
| American Electric Power Co., Inc. | Entergy Corporation | SCANA Corp. |
| CenterPoint Energy, Inc. | FirstEnergy Corp. | Sempra Energy |
| CMS Energy Corp. | NiSource Inc. | WEC Energy Group, Inc. |
| Consolidated Edison, Inc. | PG&E Corporation | Xcel Energy Inc. |
| Dominion Resources, Inc. | Pinnacle West Capital Corporation | |

The Committee periodically adjusts the target percentages of annual and long-term incentives based on the survey data after discussion with the compensation consultant to ensure that they are approximately equal to competitive median levels.

The Committee also determines perquisites to the extent they serve business purposes and sets supplemental benefits at levels that provide market-based compensation opportunities to the executives. The Committee periodically reviews the general market for supplemental benefits and perquisites using utility and general industry survey data, including data obtained from companies in the peer group.

Mix of Compensation Elements. Eversource Energy targets the mix of compensation for its Chief Executive Officer and the other Named Executive Officers so that the percentages of each compensation element are approximately equal to the competitive median market mix. The mix is heavily weighted toward incentive compensation, and incentive compensation is heavily weighted toward long-term compensation. Since the most senior positions have the greatest responsibility for implementing long-term business plans and strategies, a greater proportion of total compensation is based on performance with a long-term focus.

The Committee determines the compensation for each executive based on the relative authority, duties and responsibilities of the executive. Eversource Energy's Chief Executive Officer's responsibilities for the strategic direction and daily operations and management of Eversource are greater than the duties and responsibilities of the other executives. As a result, Eversource's Chief Executive Officer's compensation is higher than the compensation of the other executives. Assisted by the compensation consultant, the Committee regularly reviews market compensation data for executive officer positions similar to those held by Eversource Energy's executives, including its Chief Executive Officer, and this market data continues to indicate that chief executive officers are paid significantly more than other executive officers.

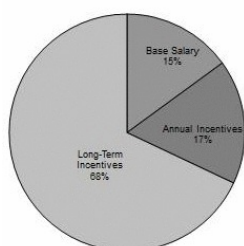
The following table sets forth the contribution to 2015 Total Direct Compensation (TDC) of each element of compensation, at target, reflected as a percentage of TDC, for the Named Executive Officers. The percentages shown in this table are at target and therefore do not correspond to the amounts appearing in the Summary Compensation Table.

| Named Executive Officer | Percentage of TDC at Target | | | | TDC |
|----------------------------|-----------------------------|---------------------------------|----------------------------------|---------------------|-----|
| | Base Salary | Annual Incentive ⁽¹⁾ | Long-Term Incentives | | |
| | | | Performance Units ⁽¹⁾ | RSUs ⁽²⁾ | |
| Thomas J. May | 15 | 17 | 34 | 34 | 100 |
| James J. Judge | 29 | 19 | 26 | 26 | 100 |
| Werner J. Schweiger | 29 | 19 | 26 | 26 | 100 |
| David R. McHale | 29 | 19 | 26 | 26 | 100 |
| Gregory B. Butler | 30 | 20 | 25 | 25 | 100 |
| NEO average, excluding CEO | 29 | 19 | 26 | 26 | 100 |

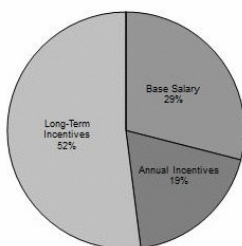
(1) The annual incentive compensation element and performance shares under the long-term incentive compensation element are performance-based.

(2) Restricted Share Units (RSUs) vest over three years contingent upon continued employment.

Total Direct Compensation - CEO



Total Direct Compensation - All other NEO's



Risk Analysis of Executive Compensation Program. The overall compensation program includes a mix of compensation elements ranging from a fixed base salary that is risk-neutral to annual and long-term incentive compensation programs intended to motivate officers and eligible employees to achieve individual and corporate performance goals that reflect an appropriate level of risk. The fundamental objective of the compensation program is to foster the continued growth and success of the business. The design and implementation of the overall compensation program provides the Committee with opportunities throughout the year to assess risks within the compensation program that may have a material effect on Eversource Energy and its shareholders.

In 2015, the Compensation Committee assessed the risks associated with the executive compensation program by reviewing the various elements of incentive compensation. The annual incentive program was designed to ensure an appropriate balance between individual and corporate goals, which were deemed appropriate and supportive of Eversource Energy's annual business plan. Similarly, the long-term incentive program was designed to ensure that the performance metrics were properly weighted and supportive of Eversource Energy's strategic plan. The Committee reviewed the overall compensation program in the context of the annual operating and strategic plans, which were both previously subject to Enterprise Risk Management review.

The annual and long-term incentive programs were designed to ensure that mechanisms exist to mitigate risk. These mechanisms include realistic goal setting and discretion with respect to actual payments in addition to:

- a mix of annual and long-term performance awards to provide an appropriate balance of short- and long-term risk and reward horizon;
- a variety of performance metrics including financial, operational, customer service and safety goals for annual performance awards to avoid excessive focus on a single measure of performance;
- the primary use of metrics in Eversource Energy's long-term incentive compensation that use recurring earnings per share and total shareholder return, which are both robust measures of shareholder value that reduce the risk that employees might be encouraged to pursue other objectives that increase risk or reduce financial performance;
- clawback provision on incentive compensation; and
- stock ownership requirements for certain executives, including Eversource Energy's Named Executive Officers, and prohibitions on hedging, pledging and other derivative transactions related to Eversource Energy common shares.

Based on these factors, the Compensation Committee and the Eversource Energy Board of Trustees believe the overall compensation program risks are mitigated to reduce overall compensation risk.

Results of Eversource Energy's 2015 Say-on-Pay Vote. Eversource Energy provides its shareholders with the required opportunity to cast an annual advisory vote on executive compensation (a "Say-on-Pay" proposal). At the Eversource Energy Annual Meeting of Shareholders held on April 29, 2015, 92 percent of the votes cast on the Say-on-Pay proposal were voted to approve the 2014 compensation of the Eversource Energy Named Executive Officers, as described in Eversource Energy's 2015 proxy statement. The Committee has and will continue to consider the outcome of Say-on-Pay votes when making future compensation decisions for the Named Executive Officers.

ELEMENTS OF 2015 COMPENSATION

Base Salary

Base salary is designed to attract and retain key executives by providing an element of total compensation at levels competitive with those of other executives employed by companies of similar size and complexity in the utility and general industries. In establishing base salary, the Compensation Committee relies on compensation data obtained from independent third-party surveys of companies and from an industry peer group to ensure that the compensation opportunities Eversource Energy offers are capable of attracting and retaining executives with the experience and talent required to achieve its strategic objectives.

When setting or adjusting base salaries, the Committee considers annual executive performance appraisals; market pay movement across industries (determined through market analysis); targeted market pay positioning for each executive; individual experience and years of service; strategic importance of a position; and internal equity.

Individuals who are performing well in strategic positions are likely to have their base salaries increased more significantly than other individuals. From time-to-time, economic conditions and corporate performance have caused base salary increases to be postponed. However, the Committee prefers to reflect sub-par corporate performance through the variable pay components.

In February 2015, the Committee adjusted the base salaries of the Named Executive Officers by 3 percent. The Committee and independent Trustees also adjusted Mr. May's base salary by 3 percent.

Incentive Compensation

Annual incentive and long-term incentive compensation are provided under Eversource Energy's Incentive Plan, which was approved by its shareholders at the 2007 Annual Meeting of Shareholders and the material terms of performance goals of which were re-approved by its shareholders at its 2012 Annual Meeting of Shareholders. The annual incentive program provides cash compensation intended to reward performance under Eversource Energy's annual operating plan. The long-term stock-based incentive program is designed to reward demonstrated performance and leadership, motivate future performance, align the interests of the executives with those of Eversource Energy's shareholders, and retain the executives during the term of grants. The annual and long-term programs are designed to strike a balance between Eversource Energy's short- and long-term objectives so that the programs work in tandem.

2015 ANNUAL INCENTIVE PROGRAM

In February 2015, the Committee established the terms of the 2015 Annual Incentive Program. As part of the overall program, and after consulting with Pay Governance, the Committee set target award levels for each of the Named Executive Officers that ranged from 65 percent to 110 percent of base salary. Target award levels under the Annual Incentive Program are expressed as a percentage of base salary.

At the February 2015 meeting, the Committee determined that for 2015 it would continue to base 70 percent of the annual incentive performance goals on Eversource Energy's overall financial performance and 30 percent of the annual performance goals on Eversource Energy's overall operational performance. The Committee also determined the specific goals to assess performance and that the individual goals would continue to be assessed using ratings ranging from 0 percent to 200 percent. The Committee assigned weightings to each of these specific goals. For the financial component, the earnings per share goal was weighted at 70 percent, the dividend growth goal was weighted at 20 percent and the credit rating goal was weighted at 10 percent. For the operational component, the Committee determined that the combined service reliability and responsiveness goals would be weighted at 60 percent, the key corporate initiatives of operational efficiency and effectiveness, technology and customer experience goals would be weighted at 25 percent, and the combined safety ratings, gas service response and hiring goals would be weighted at 15 percent.

At the December 2015 meeting of the Committee, management provided an initial review of Eversource Energy's 2015 performance followed by an update at a second meeting in January 2016, at which time it continued its preliminary review of 2015 performance. At the February 2, 2016 meeting, the Committee performed its final assessment of the performance goals, the additional accomplishments noted below under the caption "Additional Factors," and the overall performance of Eversource Energy. In addition to these meetings, the Committee was also provided updates during the year on corporate performance. At the February 2016 meeting, the Committee determined, based on its assessment of the financial and operational performance goals, to set the level of achievement of combined financial and operational performance goals results at 158 percent of target, reflecting the overall strong performance of Eversource Energy and the executive team. In arriving at this determination, the Committee determined that the financial performance goals result was 162 percent of target and the operational performance goals result was 148 percent of target. The individual financial and operational performance goals results are as set forth below. Eversource Energy's Chief Executive Officer recommended to the Committee payout levels for the executives (other than himself) based on his assessment of each executive's individual performance towards achievement of the performance goals and the additional accomplishments of Eversource Energy, together with each executive's contributions to the overall performance of Eversource Energy. The awards determined by the Committee were also based on the same three-component criteria.

Financial Performance Goals Assessment

- Eversource Energy's earnings per share in 2015 were \$2.81, exclusive of merger related costs, exceeding the goal of \$2.80, a 6 percent increase over 2014 and compared to long-term industry growth of 4 percent. The earnings goal was exceeded despite much warmer weather over the later part of the year, through the accomplishment of a challenging operations and maintenance cost containment goal. 2015 operations and maintenance spending was less than budget and was accomplished while at the same time improving upon operating performance. The Committee determined the earnings per share goal to have attained a 160 percent performance result.
- Eversource Energy increased its dividend to \$1.67 per share, a 6.4 percent increase from the prior year and twice the utility industry dividend growth of 3.2 percent. The Committee determined this goal to have attained a 160 percent performance.
- Eversource Energy's credit rating at Standard & Poor's was upgraded to "A" in April 2015. This rating represents the highest holding company credit rating in the utility industry, and continues to provide the foundation for continued favorable financing opportunities during the year and in the future. The industry average credit rating at Standard & Poor's is "BBB+." The Committee determined this goal to have attained a 175 percent performance result.

Operational Performance Goals Assessment

- Eversource Energy's total electric system operating performance was the best on record, surpassing 2014's then best on record performance. Average months between interruptions in service equaled 16.6 months, at the high end of the performance zone established by the Committee of 14.4 to 16.9 months, and in the top quartile of industry peers. System average restoration duration time equaled 71.6 minutes, significantly better than the range established by the Committee of 92.9 to 73.7 minutes and in the top quartile of industry peers. These results continue to represent top quartile performance against industry peers. The Committee determined these goals to have each attained a 175 percent performance result.
- Eversource Energy successfully implemented a new model for its gas and electric operations, transforming the operations area through standardization across the three states in which it provides service. In addition, Eversource Energy exceeded the goal of adding 11,000 new natural gas customers. The Committee determined this goal to have attained a 150 percent performance result.
- Eversource Energy completed several important technology projects on a timely basis, including successful implementation of an outage management system and new Human Resources system. The Committee determined this goal to have attained a 100 percent performance result.
- Eversource Energy successfully implemented the re-branding of its several legacy companies from six distinct brands to the single Eversource brand when it changed its holding company name to Eversource Energy. Eversource Energy's customer satisfaction ratings declined however, as a result of high bills due to winter price spikes and technical issues coincident with the introduction of the new Eversource website. The Committee determined this goal to have attained a 75 percent performance result.
- On-time response to gas customer emergency calls was 99.1 percent, which met the goal of 99.1 percent. The Committee determined this goal to have attained a 100 percent performance result.
- Eversource Energy exceeded the safety performance goal of 1.4 Days Away or Restricted Time ("DART") per 1,000 employees; DART equaled 1.2 in 2015 and was a significant improvement in 2014. The Committee determined this goal to have attained a 125 percent performance result.
- Eversource Energy exceeded its goal that 34 percent of new hires and promotions within the supervisor and above management group be women or people of color. The Committee determined this goal to have attained a 100 percent performance result.

2015 Annual Incentive Program Performance Assessments

Financial Performance Goals

| Category | 2015 Goal | Company Performance | Indicative Assessment |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Earnings Per Share | \$2.80 per share | Exceeded - \$2.81 per share, a 6% increase over 2014, outperforming industry growth of approximately 4% | 160% |
| Dividend Growth | Increase dividend \$.10 to \$1.67 per share | Achieved - Increased to \$1.67 per share, a \$.10 increase and 6.4% growth, significantly exceeding the industry growth of 3.2% | 160% |
| Credit Rating | Maintain the Company's top tier Standard & Poor's (S&P) A- credit rating | Exceeded - S&P rating raised to A (with "Stable" Outlook), the highest holding company credit rating in the utility industry | 175% |
| Weightings = Earnings Per Share – 70%; Dividend Growth – 20%; credit rating – 10% | | | |

Operational Performance Goals

| Category | 2015 Goal | Company Performance | Indicative Assessment |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Reliability – Avg. Months Between Interruptions (MBI) | Achieve MBI of within 14.4 to 16.9 months | Exceeded: MBI 16.6; 8% better than 2014 and in top quartile of peers | 175% |
| Average Restoration Duration (SAIDI) | Achieve SAIDI of 92.9 to 73.7 minutes | Exceeded: SAIDI 71.6 minutes; 13% better than 2014 and in top quartile of peers | 175% |
| Safety Rate | 1.4 DART | Exceeded: 1.2 DART 14% better than 2014 | 125% |
| Gas Service Response | 99.1% | Achieved: 99.1% meeting all regulatory mandated targets | 100% |
| New Hires and Promotions | 34% hires of supervisor and above women/people of color | Achieved: 34.6% | 100% |
| Operational Efficiency & Effectiveness | Transform Operations, continue standardization across the Company and grow the gas business | Exceeded: Successfully implemented new operating model while continuing top quartile reliability; Gas growth ahead of plan | 150% |
| Technology | Implement transformational technology related projects (Core HR, OMS and Supply Chain) | Achieved: Successfully implemented Human Resources and Outage Management System projects; Payroll project in progress to be implemented in 2016, Supply Chain initiated and in service in 2017 | 100% |
| Customer Experience | Implement Eversource branding initiative, expand digital functionality for customers via new web tools and applications, and continue to improve customer satisfaction scores | Partially Achieved: Successfully implemented branding effort, customer satisfaction scores declined primarily as a result of high bills due to winter price spikes and technical issues with the new Eversource Energy website | 75% |

Performance Goals Assessment

| | |
|----------------------------------------|------|
| Financial Performance (weighted 70%) | 162% |
| Operational Performance (weighted 30%) | 148% |
| Overall Performance | 158% |

Additional Factors

The following results were also considered by the Committee in making an assessment of overall financial and operational performance, but were not given specific weightings or assigned a specific performance assessment score:

- Eversource Energy substantially decreased financial risk through effective regulatory outcomes in each of the three states that Eversource provides service.
- Eversource Energy achieved significant progress in its Northern Pass Transmission project, receiving approval of a draft Environmental Impact Statement application from the U. S. Department of Energy, forming the Forward New Hampshire Plan, revising the route of the proposed transmission line, adding 52 miles of additional underground construction to the route, and having the filing of the siting application accepted by the New Hampshire Site Evaluation Committee.
- Eversource Energy completed the formation of its partnership with Spectra Energy Corp and National Grid for the Access Northeast gas transmission and storage project and commenced seeking regulatory approvals at the Federal Energy Regulatory Commission.
- Eversource Energy successfully completed its \$1.9 billion capital plan to improve reliability and customer service.

Individual Performance Factors Considered by the Committee

The goal of the Committee for 2015 was to provide incentives Eversource Energy executives to work together as a highly effective, integrated team to achieve or exceed the financial, operational, customer and process integration goals and objectives. The Committee based the annual incentive payments on team performance and also on the Committee's assessment of each executive's individual performance in supporting the performance goals, additional achievements and overall Company performance. The Committee assessed the performance of Eversource Energy's Chief Executive Officer and, based on the recommendations of the Chief Executive Officer, assessed the performance of the Named Executive Officers, to determine the individual incentive payments as disclosed in the Summary Compensation Table. Based on the Committee's review, which included its assessment of the performance goals, the significant other accomplishments of Eversource Energy and the Named Executive Officers, and the overall performance of Eversource Energy and each of the Named Executive Officers, considered in its totality by the Committee to have been excellent, the Committee approved annual incentive program payments for the Named Executive Officers at levels that ranged from 159 percent to

176 percent of target. These payments reflected the individual and team contributions of Mr. May, Mr. Judge, Mr. Schweiger, Mr. McHale and Mr. Butler in achieving the goals and the additional accomplishments and the overall performance of the Company.

In determining Mr. May's annual incentive payment of \$2,400,000, which was 176 percent of target, and which reflects his and Eversource Energy's continued strong performance, the Committee and the Board considered the totality of Eversource's success in accomplishing the goals set by the Committee, the additional accomplishments of Eversource Energy, and Mr. May's strategic leadership of Eversource Energy.

2015 Annual Incentive Program Awards

| Named Executive Officer | Award |
|--------------------------------|--------------|
| Thomas J. May | \$2,400,000 |
| James J. Judge | \$690,000 |
| Werner J. Schweiger | \$680,000 |
| David R. McHale | \$630,000 |
| Gregory B. Butler | \$525,000 |

Long-Term Incentive Program

General

The long-term incentive program is intended to focus on Eversource Energy's longer-term strategic goals and to help retain executives. A new three-year program commences every year. For the 2015 – 2017 Long-Term Incentive Program, each grant consisted of 50 percent Eversource Energy restricted share units (RSUs) and 50 percent performance shares. RSUs are designed to provide executives with an incentive to increase the value of Company common shares in alignment with shareholder interests, while also serving as a retention component for executive talent. Performance shares are designed to reward achievement as measured against pre-established performance measures. Eversource Energy believes these compensation elements create a focus on continued company and Eversource Energy share price growth to further align the interests of the executives with the interests of Eversource Energy's shareholders.

Restricted Share Units (RSUs)

General

Each RSU granted under the long-term incentive program entitles the holder to receive one Eversource Energy common share at the time of vesting. All RSUs granted under the long-term incentive program vest in equal annual installments over three years. RSU holders are eligible to receive reinvested dividend units on outstanding RSUs held by them to the same extent that dividends are declared and paid on Eversource Energy common shares. Reinvested dividend equivalents are accounted for as additional RSUs that accrue and are distributed with the common shares issued upon vesting of the underlying RSUs. Common shares, including any additional common shares in respect of reinvested dividend equivalents, are not issued for any RSUs that do not vest.

The Committee determined RSU grants for each officer participating in the long-term incentive program. RSU grants are based on a percentage of annualized base salary at the time of the grant and measured in dollars. In 2015, the percentage used for each executive officer was based on the executive officer's position in Eversource Energy and ranged from 90 percent to 225 percent of base salary. The Committee reserves the right to increase or decrease the RSU grant from target for each officer under special circumstances. Based on input from Eversource Energy's Chief Executive Officer, the Committee determined the final RSU grants for each of the other executive officers, including the other Named Executive Officers.

All RSUs are granted on the date of the Committee meeting at which they are approved. RSU grants are subsequently converted from dollars into common share equivalents by dividing the value of each grant by the average closing price for Eversource Energy common shares over the ten trading days prior to the date of the grant.

RSU Grants under the 2015 – 2017 Program

Under the 2015 – 2017 Program, RSU grants totaled approximately \$8,485,659 for the 52 officers participating in the program. Dividing the final RSU grant total by \$55.79, the average closing price of Eversource Energy common shares over the ten trading days prior to the date of grant, resulted in an aggregate of 152,100 RSUs. The following RSU grants at 100 percent of target were approved:

| Named Executive Officer | RSUs Awarded |
|--------------------------------|---------------------|
| Thomas J. May | 50,100 |
| James J. Judge | 9,800 |
| Werner J. Schweiger | 9,700 |
| David R. McHale | 9,800 |
| Gregory B. Butler | 6,900 |

RSU Grants under the 2014 – 2016 Program

Under the 2014 – 2016 Program, RSU grants totaled approximately \$7,741,835 for the 49 officers participating in the program. Dividing the final RSU grant total by \$43.13, the average closing price of Eversource Energy common shares over the ten trading days prior to the date of grant, resulted in an aggregate of 179,500 RSUs. The following RSU grants at 100 percent of target were approved:

| <u>Named Executive Officer</u> | <u>RSUs Awarded</u> |
|---------------------------------------|----------------------------|
| Thomas J. May | 55,900 |
| James J. Judge | 12,400 |
| Werner J. Schweiger | 8,700 |
| David R. McHale | 12,400 |
| Gregory B. Butler | 8,600 |

RSU Grants under the 2013 – 2015 Program

Under the 2013 – 2015 Program, RSU grants totaled approximately \$7,057,248 for the 44 officers participating in the program. Dividing the final RSU grant total by \$39.36, the average closing price of Eversource Energy common shares over the ten trading days prior to the date of grant, resulted in an aggregate of 179,300 RSUs. The following RSU grants at 100 percent of target were approved:

| <u>Named Executive Officer</u> | <u>RSUs Awarded</u> |
|---------------------------------------|----------------------------|
| Thomas J. May | 52,000 |
| James J. Judge | 13,100 |
| Werner J. Schweiger | 9,300 |
| David R. McHale | 13,100 |
| Gregory B. Butler | 9,100 |

Performance Share Grants

General

Performance Shares are designed to reward future financial performance, measured by long-term earnings growth and above-average total shareholder returns, therefore aligning compensation with performance.

Performance Shares under the 2015 – 2017 Program

For the 2015 – 2017 Program, the Committee continued to use: (i) average diluted earnings per share growth adjusted for certain non-recurring items ("EPSG"); and (ii) relative total shareholder return ("TSR") measured against the performance of companies that comprise the EEI Index. As in 2013 and 2014, the Committee selected EPSG and TSR as performance measures because the Committee believes that they are generally recognized as the best indicators of overall corporate performance. Further, the Committee considers it a best practice to use a combination of relative and absolute metrics, with EPS growth serving as a key input to shareholder value and TSR serving as the output.

The number of Performance Shares awarded at the end of the three-year period ranges from 0 percent to 200 percent of target, depending on EPSG and relative TSR performance as set forth in the performance matrix below. Performance Share grants are based on a percentage of annualized base salary at the time of the grant and measured in dollars. The target number of shares under the 2015 – 2017 Program ranged from 90 percent to 225 percent of base salary. For the 2015-2017 Program, EPSG ranges from 0 percent to 9 percent, while TSR ranges from below the 10th percentile to above the 90th percentile. The Committee determined that payout at 100 percent of target should be challenging but achievable. As a result, vesting at 100 percent of target occurs at various combinations of EPSG and TSR performance. In addition, the value of any performance shares that actually vest may increase or decrease over the vesting period based on the Eversource Energy's share price performance. The number of performance shares granted at target were as follows:

**2015 – 2017 Long-Term Incentive Program
Performance Share Grants at Target**

| <u>Named Executive Officer</u> | <u>Performance Share Grant</u> |
|---------------------------------------|---------------------------------------|
| Thomas J. May | 50,100 |
| James J. Judge | 9,800 |
| Werner J. Schweiger | 9,700 |
| David R. McHale | 9,800 |
| Gregory B. Butler | 6,900 |

The performance matrix set forth below describes how the Performance Share payout will be determined under the 2015 – 2017 Long-Term Incentive Program. Three-year average EPSG is cross-referenced with the actual three-year TSR percentile to determine actual performance share payout as a percentage of target:

2015 – 2017 Long-Term Incentive Program Performance Share Potential Payout

| Three-Year Average EPS Growth | Three-Year Relative Total Shareholder Return Percentiles | | | | | | | | | |
|-------------------------------|----------------------------------------------------------|------|------|------|------|------|------|------|------|------------|
| | Below 10th | 20th | 30th | 40th | 50th | 60th | 70th | 80th | 90th | Above 90th |
| 9% | 110% | 120% | 130% | 140% | 150% | 160% | 170% | 180% | 190% | 200% |
| 8% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% | 180% | 190% |
| 7% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% | 180% |
| 6% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% |
| 5% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% |
| 4% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% |
| 3% | 40% | 50% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% |
| 2% | 20% | 40% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% |
| 1% | 0% | 10% | 40% | 60% | 70% | 80% | 90% | 100% | 110% | 120% |
| 0% | 0% | 0% | 20% | 30% | 50% | 70% | 80% | 90% | 100% | 110% |
| Below 0% | 0% | 0% | 0% | 0% | 10% | 20% | 30% | 40% | 50% | 60% |

Performance Shares under the 2014 – 2016 Program

For the 2014 – 2016 Program, the Committee determined to use: (i) EPSG adjusted for certain non-recurring items; and (ii) TSR measured against the performance of companies that comprise the EEI Index. As in 2013, the Committee selected EPSG and TSR as performance measures because the Committee believes that they are generally recognized as the best indicators of overall corporate performance. Further, the Committee considers it a best practice to use a combination of relative and absolute metrics, with EPS growth serving as a key input to shareholder value and TSR serving as the output.

The number of Performance Shares awarded at the end of the three-year period ranges from 0 percent to 200 percent of target, depending on EPSG and relative TSR performance, using the same matrix as the 2015 – 2017 Program noted above. Performance Share grants are based on a percentage of annualized base salary at the time of the grant and measured in dollars. The target number of shares under the 2014 – 2016 program ranged from 75 percent to 200 percent of base salary. For the 2014 - 2016 Program, EPSG ranges from 0 percent to 9 percent, while TSR ranges from below the 10th percentile to above the 90th percentile. The Committee determined that payout at 100 percent of target should be challenging but achievable. As a result, vesting at 100 percent of target occurs at various combinations of EPSG and TSR performance. In addition, the value of any performance shares that actually vest may increase or decrease over the vesting period based on Eversource Energy's share price performance. The number of performance shares granted at target were as follows:

**2014 – 2016 Long-Term Incentive Program
Performance Share Grants at Target**

| <u>Named Executive Officer</u> | <u>Performance Share Grant</u> |
|--------------------------------|--------------------------------|
| Thomas J. May | 55,900 |
| James J. Judge | 12,400 |
| Werner J. Schweiger | 8,700 |
| David R. McHale | 12,400 |
| Gregory B. Butler | 8,600 |

Results of the 2013 – 2015 Performance Plan

The 2013 – 2015 Program was completed as of December 31, 2015. The actual performance level achieved under the Program was a three-year average adjusted EPS growth of 7.2 percent and a three-year total shareholder return at the 42nd percentile, which when interpolated in accordance with the criteria established by the Committee in 2013, resulted in vesting performance share units at 114 percent of target. This determination was made in accordance with the performance criteria as approved by the Committee at the commencement of the performance period. At its February 2, 2016 meeting, the Committee confirmed that the actual results achieved were calculated in accordance with performance targets established, and it considered all non-recurring items in determining that the adjusted EPS were in accordance with the plan documents. The number of Performance Shares awarded to the Named Executive Officers follows:

2013 – 2015 Long-Term Incentive Program Performance Share Award

| <u>Named Executive Officer</u> | <u>Performance Shares Awarded</u> |
|--------------------------------|-----------------------------------|
| Thomas J. May | 65,603 |
| James J. Judge | 16,527 |
| Werner J. Schweiger | 11,733 |
| David R. McHale | 16,527 |
| Gregory B. Butler | 11,481 |

The performance matrix set forth below describes how the Performance Share payout was determined under the 2013 – 2015 Long-Term Incentive Program. Three-year average EPSG was cross-referenced with the actual three-year TSR percentile to determine actual performance share payout as a percentage of target:

2013 – 2015 Long-Term Incentive Program Performance Share Payout

| Three-Year Average EPS Growth | Three-Year Relative Total Shareholder Return Percentiles | | | | | | | | | | |
|-------------------------------|----------------------------------------------------------|------|------|------|------|------|------|------|------|------|------------|
| | Below 10th | 10th | 20th | 30th | 40th | 50th | 60th | 70th | 80th | 90th | Above 90th |
| 10% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% | 180% | 190% | 200% |
| 9% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% | 180% | 190% |
| 8% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% | 180% |
| 7% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% | 170% |
| 6% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% |
| 5% | 50% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% |
| 4% | 40% | 50% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% |
| 3% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% |
| 2% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100% | 110% | 120% |
| 1% | 0% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100% | 110% |
| 0% | 0% | 0% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100% |
| Below 0% | 0% | 0% | 0% | 0% | 0% | 10% | 20% | 30% | 40% | 50% | 60% |

CLAWBACKS

If Eversource Energy's earnings were to be restated as a result of noncompliance with accounting rules caused by fraud or misconduct, Eversource Energy would require its executives to provide reimbursements for certain incentive compensation received by each of them. To the extent that reimbursement were not required under SEC rules or NYSE listing standards, the Eversource Energy Incentive Plan would require any employee whose misconduct or fraud caused such restatement, as determined by the Board of Trustees, to provide reimbursements for any incentive compensation received by him or her.

In addition, once final rules are adopted by the SEC regarding any additional clawback requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Eversource Energy will review the clawback policy and compensation plans and amend them as necessary to comply with the new mandates.

NO HEDGING AND NO PLEDGING POLICY

Eversource Energy has adopted a policy prohibiting the purchase of financial instruments or otherwise entering into transactions designed to have the effect of hedging or offsetting any decrease in the value of Eversource Energy common shares by its Trustees and executive officers. This policy also prohibits all pledging, derivative transactions of short sales involving Eversource Energy common shares or the holding of any common shares in a margin account.

SHARE OWNERSHIP GUIDELINES/HOLDING PERIODS

The Committee has approved share ownership guidelines to further emphasize the importance of share ownership by Eversource Energy officers. As indicated in the table below, the guidelines call for the Eversource Energy Chief Executive Officer to own common shares equal to six times base salary, executive vice presidents and senior vice presidents to own a number of common shares equal to three times base salary and all other officers to own a number of common shares equal to one to two times base salary.

| <u>Executive Officer</u> | <u>Base Salary Multiple</u> |
|----------------------------------------------------|-----------------------------|
| Chief Executive Officer | 6 |
| Executive Vice Presidents / Senior Vice Presidents | 3 |
| Operating Company Presidents | 2 |
| Vice Presidents | 1 – 1.5 |

Eversource Energy requires that its officers attain these ownership levels within five years. All of its officers, including the Named Executive Officers, have satisfied the share ownership guidelines or are expected to satisfy them within the applicable timeframe. Common shares, whether held of record, in street name, or in individual 401(k) accounts, and RSUs satisfy the guidelines. Unexercised stock options and unvested performance shares do not count toward the ownership guidelines. In addition to the share ownership guidelines requirements noted above, all officers must hold all the net shares awarded under Eversource Energy's stock compensation plan until the share ownership guidelines requirements have been met.

OTHER

Retirement Benefits

Eversource Energy provides a qualified defined benefit pension program for certain officers, which is a final average pay program subject to tax code limits. Because of such limits, Eversource Energy also maintain a supplemental non-qualified pension program. Benefits are based on base salary

and certain incentive payments, which is consistent with the goal of providing a retirement benefit that replaces a percentage of pre-retirement income.

The supplemental program makes up for benefits barred by tax code limits, and generally provides (together with the qualified pension program) benefits equal to approximately 60 percent of pre-retirement compensation (subject to certain reductions) for Messrs. May, Judge and Schweiger, and approximately 50 percent of such compensation for Mr. McHale. The supplemental program has been discontinued for newly-elected officers.

For certain participants, the benefits payable under the Supplement Non-Qualified Pension Program (Program) differ from those described above. Under the Key Executive Benefit Plan, Mr. May is entitled to an alternative retirement benefit equal to 33 percent of final base salary annually for 15 years in lieu of the benefits provided under the Program. Benefits that would be available under the Key Executive Benefit Plan are less than those available under the Program and therefore have not been included in the present value of accumulated benefit shown below. Upon retirement, Mr. May is entitled to receive the greater of the benefit payable under the Program or the Key Executive Benefit Plan. The Program benefit payable to Mr. Schweiger is fully vested and is further reduced by benefits he is entitled to receive under previous employers' retirement plans.

Also see the narrative accompanying the "Pension Benefits" table and accompanying notes for more detail on the above program.

401(k) Benefits

Eversource Energy offers a qualified 401(k) program for all employees, including executives, subject to tax code limits. After applying these limits, the program provides a maximum match of up to \$10,600 for Messrs. May, Judge and Schweiger, which is equal to 50 percent of the first 8 percent of eligible base salary and annual cash incentive. For Messrs. McHale and Butler, Eversource Energy provides a maximum match of up to \$7,950, which is equal to 3 percent of eligible base salary and annual cash incentive.

Deferred Compensation

Eversource Energy offers a non-qualified deferred compensation program for its executives. In 2015, the program allowed deferral of up to 100 percent of base salary, annual incentives and long-term incentive awards. The program allows participants to select investment measures for deferrals based on an array of deemed investment options (including certain mutual funds and publicly traded securities).

See the Non-Qualified Deferred Compensation Table and accompanying notes for additional details on the above program.

Perquisites

Eversource Energy provides executives with limited financial planning, vehicle leasing and access to tickets to sporting events, perquisites that Eversource Energy believes are consistent with peer companies. The current level of perquisites does not factor into decisions on total compensation.

Contractual Agreements

Eversource Energy maintains contractual agreements with all of the Named Executive Officers that provide for potential compensation in the event of certain terminations following a Change of Control. Eversource Energy believes these agreements are necessary to attract and retain high quality executives and to ensure executive focus on Eversource Energy business during the period leading up to a potential Change of Control. The agreements are "double-trigger" agreements that provide executives with compensation in the event of a Change of Control, while still providing an incentive to remain employed with Eversource Energy for the transition period that follows.

Under the agreements, certain compensation is generally payable if, during the applicable change of control period, the executive is involuntarily terminated (other than for cause) or voluntarily terminates employment for "good reason." These agreements are described more fully below under "Potential Payments upon Termination or Change of Control."

TAX AND ACCOUNTING CONSIDERATIONS

Eversource Energy's incentive plan was approved by shareholders and permits annual incentive and performance share awards intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. However, Eversource Energy believes that the availability of a tax deduction for forms of compensation is secondary to the goal of providing market-based compensation to attract and retain highly qualified executives.

Eversource Energy has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation-Stock Compensation*. In general, Eversource Energy and the Committee do not consider accounting considerations in structuring compensation arrangements.

EQUITY GRANT PRACTICES

Equity awards noted in the compensation tables are made at the February meeting of the Compensation Committee (subject to the further approval of the independent members of Eversource Energy's Board of Trustees of the Chief Executive Officer's award) when the Committee also determines base salary, annual and long-term incentive compensation targets and annual incentive awards. The date of this meeting is chosen several months in advance, and therefore awards are not coordinated with the release of material non-public information.

SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation paid or earned in 2015 by CL&P's principal executive officer (Mr. Schweiger), principal financial officer (Mr. Judge) and the three most highly compensated executive officers other than the principal executive officers and principal financial officer serving on December 31, 2015 (Messrs. May, McHale, and Butler), determined in accordance with the applicable SEC disclosure rules (collectively, the Named Executive Officers). As explained in the footnotes below, the amounts reflect the economic benefit to each Named Executive Officer of the compensation item paid or accrued on his behalf for the fiscal year ended December 31, 2015. The compensation shown for each Named Executive Officer was for all services in all capacities to Eversource Energy and its subsidiaries. All salaries, annual incentive amounts and long-term incentive amounts shown for each Named Executive Officer were paid for all services rendered to Eversource Energy and its subsidiaries, including CL&P, in all capacities.

| Name and Principal Position | Year | Salary (\$ (2)) | Stock Awards (\$ (3)) | Non-Equity Incentive Plan (\$ (4)) | Change in Pension Value and Non-Qualified Deferred Earnings (\$ (5)) | All Other Compensation (\$ (6)) | Total (\$) |
|-------------------------------------------------------------------------------------------|------|-----------------|-----------------------|------------------------------------|----------------------------------------------------------------------|---------------------------------|------------|
| Thomas J. May | 2015 | 1,232,250 | 5,805,087 | 2,400,000 | 165,239 | 82,260 | 9,684,836 |
| President and Chief Executive Officer of Eversource Energy; Chairman of CL&P | 2014 | 1,196,325 | 5,276,401 | 2,250,000 | 182,787 | 75,004 | 8,980,517 |
| | 2013 | 1,161,250 | 4,263,480 | 2,125,000 | — | 111,269 | 7,660,999 |
| James J. Judge | 2015 | 605,650 | 1,135,526 | 690,000 | 895,929 | 20,672 | 3,347,777 |
| Executive Vice President and Chief Financial Officer of Eversource Energy and CL&P | 2014 | 587,975 | 1,170,436 | 660,000 | 1,587,879 | 20,346 | 4,026,636 |
| | 2013 | 570,750 | 1,074,069 | 650,000 | 111,279 | 20,886 | 2,426,984 |
| Werner J. Schweiger (1) | 2015 | 600,000 | 1,123,939 | 680,000 | 746,734 | 21,135 | 3,171,808 |
| Executive Vice President and Chief Operating Officer of Eversource Energy and CEO of CL&P | 2014 | 538,950 | 821,193 | 600,000 | 1,174,893 | 205,073 | 3,340,109 |
| David R. McHale | 2015 | 605,308 | 1,135,526 | 630,000 | 252,131 | 14,987 | 2,637,952 |
| Executive Vice President and Chief Administrative Officer of Eversource Energy and CL&P | 2014 | 587,643 | 1,170,436 | 660,000 | 2,136,933 | 10,348 | 4,565,360 |
| | 2013 | 570,147 | 1,074,069 | 650,000 | — | 22,104 | 2,316,320 |
| Gregory B. Butler | 2015 | 474,992 | 799,503 | 525,000 | 242,980 | 12,886 | 2,055,361 |
| Senior Vice President and General Counsel of Eversource Energy and CL&P | 2014 | 457,736 | 811,754 | 515,000 | 1,274,208 | 12,800 | 3,071,498 |
| | 2013 | 444,423 | 746,109 | 505,000 | — | 12,650 | 1,708,182 |

- (1) Mr. Schweiger was elected Chief Executive Officer of CL&P effective August 11, 2014. He did not meet the requirements for inclusion in the Summary Compensation Table and was not a Named Executive Officer in 2013. Mr. Schweiger was elected Executive Vice President and Chief Operating Officer of Eversource Energy effective September 2, 2014.
- (2) Includes amounts deferred in 2015 under the deferred compensation program for Mr. McHale: \$12,106. For more information, see the Executive Contributions in the Last Fiscal Year column of the Non-Qualified Deferred Compensation Plans Table.
- (3) Reflects the aggregate grant date fair value of restricted share units (RSUs) and performance shares granted in each fiscal year, calculated in accordance with FASB ASC Topic 718.

In 2015 and 2014 for each Named Executive Officer, RSUs were granted as long-term compensation that vest in equal annual installments over three years. RSU holders are eligible to receive dividend equivalent units on outstanding RSUs held by them to the same extent that dividends are declared and paid on Eversource Energy common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with the common shares issued upon vesting of the underlying RSUs.

In 2015, each of the Named Executive Officers was granted performance shares as long-term incentive compensation. These performance shares will vest on December 31, 2017 based on the extent to which the two performance conditions described in the Compensation Discussion and Analysis are achieved. The grant date values for the performance shares, assuming achievement of the highest level of both performance conditions, are as follows: Mr. May: \$4,401,786; Mr. Judge: \$861,028; Mr. Schweiger: \$852,242; Mr. McHale: \$861,028; and Mr. Butler: \$606,234.

- (4) Includes payments to the Named Executive Officers under the 2015 Annual Incentive Program (Mr. May: \$2,400,000; Mr. Judge: \$690,000; Mr. Schweiger: \$680,000; Mr. McHale: \$630,000; and Mr. Butler: \$525,000).
- (5) Includes the actuarial increase in the present value from December 31, 2014 to December 31, 2015, of the Named Executive Officer's accumulated benefits under all of Eversource Energy's defined benefit pension program and agreements determined using interest rate and mortality rate assumptions consistent with those appearing under the caption entitled "Management's Discussion and Analysis and Results of Operations" in this Annual Report on Form 10-K for the fiscal year ended December 31, 2015. The Named Executive Officer may not be fully vested in such amounts. More information on this topic is set forth with respect to the Pension Benefits table, appearing further below. There were no above-market earnings in deferred compensation value during 2015, as the terms of the Deferred Compensation Plan provide for market-based investments, including Company Common Shares. In 2013, the change in pension value for each of Messrs. May, McHale and Butler was a negative amount.
- (6) Includes matching contributions allocated by us to the accounts of Named Executive Officers under the 401k plan as follows: \$10,600 for each of Messrs. May, Judge and Schweiger, and \$7,950 for each of Messrs. McHale and Butler. For Mr. May, the value shown includes \$54,906 attributable to a previously granted \$6,155 million present value life insurance benefit, financial planning services valued at \$9,500 and \$7,254 paid by the Company for Company-leased vehicles. For Mr. Judge, the value shown includes financial planning services valued at \$5,000 and \$5,072 paid by the Company for Company-leased vehicles. For Mr. Schweiger, the value shown includes financial planning services valued at \$5,000, and \$5,535 paid by the Company for company-leased vehicles. None of the other Named Executive Officers received perquisites valued in the aggregate in excess of \$10,000.

GRANTS OF PLAN-BASED AWARDS DURING 2015

The Grants of Plan-Based Awards Table provides information on the range of potential payouts under all incentive plan awards during the fiscal year ended December 31, 2015. The table also discloses the underlying equity awards and the grant date for equity-based awards. Eversource Energy has not granted any stock options since 2002.

| Name | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards | | | Estimated Future Payouts Under Equity Incentive Plan Awards ⁽¹⁾ | | | All Other Stock Awards: Number of Shares of Stock or Units (#) (2) | Grant Date Fair Value of Stock and Option Awards (\$) (3) |
|------------------------------------|------------|-----------------------------------------------------------------|-------------|--------------|----------------------------------------------------------------------------|------------|-------------|--------------------------------------------------------------------|-----------------------------------------------------------|
| | | Threshold (\$) | Target (\$) | Maximum (\$) | Threshold (\$) | Target (#) | Maximum (#) | | |
| | | | | | | | | | |
| Thomas J. May | | | | | | | | | |
| Annual Incentive ⁽⁴⁾ | 02/03/2015 | 682,500 | 1,365,000 | 2,730,000 | — | — | — | — | — |
| Long-Term Incentive ⁽⁵⁾ | 02/03/2015 | — | — | — | — | 50,100 | 100,200 | 50,100 | 5,805,087 |
| James J. Judge | | | | | | | | | |
| Annual Incentive ⁽⁴⁾ | 02/03/2015 | 198,500 | 397,000 | 794,000 | — | — | — | — | — |
| Long-Term Incentive ⁽⁵⁾ | 02/03/2015 | — | — | — | — | 9,800 | 19,600 | 9,800 | 1,135,526 |
| Werner J. Schweiger | | | | | | | | | |
| Annual Incentive ⁽⁴⁾ | 02/03/2015 | 195,000 | 390,000 | 780,000 | — | — | — | — | — |
| Long-Term Incentive ⁽⁵⁾ | 02/03/2015 | — | — | — | — | 9,700 | 19,400 | 9,700 | 1,123,939 |
| David R. McHale | | | | | | | | | |
| Annual Incentive ⁽⁴⁾ | 02/03/2015 | 198,500 | 397,000 | 794,000 | — | — | — | — | — |
| Long-Term Incentive ⁽⁵⁾ | 02/03/2015 | — | — | — | — | 9,800 | 19,600 | 9,800 | 1,135,526 |
| Gregory B. Butler | | | | | | | | | |
| Annual Incentive ⁽⁴⁾ | 02/03/2015 | 156,000 | 312,000 | 624,000 | — | — | — | — | — |
| Long-Term Incentive ⁽⁵⁾ | 02/03/2015 | — | — | — | — | 6,900 | 13,800 | 6,900 | 799,503 |

- (1) Reflects the number of performance shares granted to each of the Named Executive Officers on February 3, 2015 under the 2015 – 2017 Long-Term Incentive Program. Performance shares were granted subject to a three-year Performance Period that ends on December 31, 2017. At the end of the Performance Period, common shares will be awarded based on actual performance as a percentage of target, subject to reduction for applicable withholding taxes. Holders of performance shares are eligible to receive dividend equivalent units on outstanding performance shares held by them to the same extent that dividends are declared and paid on Eversource Energy common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with the common shares underlying the performance shares. The Annual Incentive Plan does not include an equity component.
- (2) Reflects the number of RSUs granted to each of the Named Executive Officers on February 3, 2015 under the 2015 – 2017 Long-Term Incentive Program. RSUs vest in equal installments on February 3, 2016, 2017 and 2018. Eversource Energy will distribute common shares with respect to vested RSUs on a one-for-one basis following vesting, after reduction for applicable withholding taxes. Holders of RSUs are eligible to receive dividend equivalent units on outstanding RSUs held by them to the same extent that dividends are declared and paid on Eversource Energy common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with the common shares distributed in respect of the underlying RSUs.
- (3) Reflects the grant-date fair value, determined in accordance with FASB ASC Topic 718, of RSUs and performance shares granted to the Named Executive Officers on February 3, 2015 under the 2015 – 2017 Long-Term Incentive Program.
- (4) Amounts reflect the range of potential payouts, if any, under the 2015 Annual Incentive Program for each Named Executive Officer, as described in the Compensation Discussion and Analysis. The payment in 2016 for performance in 2015 is set forth in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. The threshold payment under the Annual Incentive Program is 50 percent of target.
- (5) Reflects the range of potential payouts, if any, pursuant to performance share awards under the 2015 – 2017 Long-Term Incentive Program, as described in the Compensation Discussion and Analysis.

EQUITY GRANTS OUTSTANDING AT DECEMBER 31, 2015

The following table sets forth option and RSU grants outstanding at the end of the fiscal year ended December 31, 2015 for each of the Named Executive Officers. All outstanding options were fully vested as of April 10, 2012.

| Name | Option Awards (1) | | | Stock Awards (2) | | | |
|---------------------|---------------------------------------------------------------------|----------------------------|------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| | Number of Securities Underlying Unexercised Options Exercisable (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock that have not Vested (#) (3) | Market Value of Shares or Units of Stock that have not Vested (\$) (4) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (5) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (6) |
| Thomas J. May | — | — | — | 110,841 | 5,660,627 | 169,123 | 8,637,112 |
| James J. Judge | — | — | — | 23,806 | 1,215,799 | 37,889 | 1,935,003 |
| Werner J. Schweiger | 47,232 | 28.1200 | 5/3/2017 | — | — | — | — |
| | 39,360 | 24.7400 | 1/24/2018 | — | — | — | — |
| | 48,544 | 25.9300 | 1/22/2019 | — | — | — | — |
| | 36,736 | 26.9000 | 1/28/2020 | — | — | — | — |
| | — | — | — | 19,664 | 1,004,226 | 29,625 | 1,512,957 |
| David R. McHale | — | — | — | 23,806 | 1,215,799 | 37,889 | 1,935,003 |
| Gregory B. Butler | — | — | — | 16,624 | 848,990 | 26,401 | 1,348,292 |

(1) Options held by Mr. May and Mr. Schweiger were granted by NSTAR before the Merger and assumed by us upon completion of the Merger.

(2) Awards and market values of awards appearing in the table and the accompanying notes have been rounded to whole units.

(3) A total of 100,309 unvested RSUs vested after January 1 and on or before February 15, 2016 (Mr. May: 56,375 and Mr. Judge: 12,629; Mr. Schweiger: 9,875; Mr. McHale: 12,629; and Mr. Butler: 8,801). A total of 64,677 unvested RSUs will vest on February 3, 2017 (Mr. May: 37,193; Mr. Judge: 7,798; Mr. Schweiger: 6,444; Mr. McHale: 7,798; and Mr. Butler: 5,444). A total of 29,755 unvested RSUs will vest on February 3, 2018 (Mr. May: 17,273; Mr. Judge: 3,379; Mr. Schweiger: 3,345; Mr. McHale: 3,379; and Mr. Butler: 2,379).

(4) The market value of RSUs is determined by multiplying the number of RSUs by \$51.07, the closing price per share of common shares on December 31, 2015, the last trading day of the year.

(5) Reflects the target payout level for performance shares granted under the 2013 – 2015 Program, the 2014 – 2016 Program and the 2015 – 2017 Program.

The performance shares payout for the 2013 – 2015 Program was based on actual performance equal to 114 percent of target as determined by the Compensation Committee at its February 2, 2016 meeting, subject to reduction for applicable withholding taxes (Mr. May: 65,603 shares; Mr. Judge: 16,527 shares; Mr. Schweiger: 11,733 shares; Mr. McHale: 16,527 shares and Mr. Butler: 11,481 shares).

The performance shares payout for 2014 – 2016 Program and the 2015 – 2017 Program will be based on actual performance as a percentage of target, subject to reduction for applicable withholding taxes. As described more fully under "Performance Shares" in the Compensation Discussion and Analysis and footnote (1) to the Grants of Plan- Based Awards table, performance shares will vest following a three-year performance period based on the extent to which the two performance conditions are achieved. Under the 2014 – 2016 Program, a total of 109,466 unearned performance shares (including accrued dividend equivalents) will vest as of December 31, 2016, assuming achievement of these conditions at a target level of performance: Mr. May: 59,757 shares; Mr. Judge: 13,256 shares; Mr. Schweiger: 9,300 shares; Mr. McHale: 13,256 shares; and Mr. Butler: 9,193 shares.

(6) The market value is determined by multiplying the number of performance shares in the adjacent column by \$51.07 the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year.

OPTIONS EXERCISED AND STOCK VESTED IN 2015

The following table reports amounts realized on equity compensation during the fiscal year ended December 31, 2015. The Stock Awards columns report the vesting of RSU grants to the Named Executive Officers in 2015.

| Name | Option Awards | | Stock Awards | |
|---------------------|---------------------------------------|-------------------------------------|----------------------------------------------|------------------------------------|
| | Number of Shares Acquired on Exercise | Value Realized on Exercise (\$ (1)) | Number of Shares Acquired on Vesting (#) (2) | Value Realized on Vesting (\$ (3)) |
| Thomas J. May | 174,496 | 4,265,467 | 73,839 | 3,939,539 |
| James J. Judge | — | — | 95,203 | 4,814,658 |
| Werner J. Schweiger | — | — | 83,278 | 4,211,054 |
| David R. McHale | — | — | 92,329 | 4,652,409 |
| Gregory B. Butler | — | — | 69,017 | 3,478,241 |

- (1) Represents the amounts realized upon option exercises, which is the difference between the option exercise price and the market price at the time of exercise.
- (2) Includes RSUs granted to the Named Executive Officers under the Eversource Energy long-term incentive programs, including dividend reinvestments, as follows:

| Name | 2012 Program | 2013 Program | 2014 Program | 2015 Program |
|---------------------|--------------|--------------|--------------|--------------|
| Thomas J. May | 36,036 | 18,546 | 19,258 | — |
| James J. Judge | 8,360 | 4,672 | 4,272 | — |
| Werner J. Schweiger | 7,495 | 3,317 | 2,997 | — |
| David R. McHale | 8,934 | 4,672 | 4,272 | — |
| Gregory B. Butler | 6,972 | 3,245 | 2,962 | — |

Also includes retention awards consisting of a total of 277,657 RSUs that vested on April 10, 2015 (Mr. Judge: 77,899 RSUs; Mr. Schweiger: 69,469 RSUs; Mr. McHale: 74,451 RSUs; and Mr. Butler: 55,838 RSUs). In connection with the Merger, in November 2010, Eversource Energy and NSTAR each established retention pools that were allocated to key employees, including certain executive officers, to help ensure their continued dedication to the company both before and after completion of the Merger. Awards were in the form of RSUs that vested after three years of continuous service following completion of the Merger. Awards granted to former NSTAR executive officers were assumed by us upon completion of the Merger. Mr. May did not participate in this program.

In all cases, the distribution of common shares is reduced by that number of shares valued in an amount sufficient to satisfy tax withholding obligations, which amount is distributed in cash.

- (3) Values realized on vesting of RSUs granted under the 2012 – 2014 Program for Messrs. May, Judge and Schweiger were based on \$55.80 per share, the closing price of Eversource Energy common shares on January 26, 2015. Values realized on vesting of RSUs granted under the 2012 – 2014 Program for Messrs. McHale and Butler were based on \$53.34 per share, the closing price of Eversource Energy common shares on February 25, 2015. Values realized on vesting of RSUs granted under the 2013 – 2015 and 2014 – 2016 Programs were based on \$51.02 per share, the closing price of Eversource Energy common shares on February 17, 2015. Values realized on vesting of retention awards for Messrs. Judge, Schweiger, McHale and Butler were based on \$49.46 per share, the closing price of Eversource Energy common shares on April 10, 2015.

PENSION BENEFITS IN 2015

The Pension Benefits Table shows the estimated present value of accumulated retirement benefits payable to each Named Executive Officer upon retirement based on the assumptions described below. The table distinguishes between benefits available under the qualified pension program, the supplemental pension program, and any additional benefits available under contractual agreements. See the narrative above in the Compensation Discussion and Analysis under the caption "OTHER- Retirement Benefits" and "CONTRACTUAL AGREEMENTS" for more detail on benefits under these plans and these agreements.

The values shown in the Pension Benefits Table for Messrs. May and Judge were calculated as of December 31, 2015 based on benefit payments in the form of a lump sum. For Mr. McHale, Eversource Energy assumed a payment of benefits in the form of a one-half spousal contingent annuitant option. The Compensation Committee and the Board of Trustees approved a resolution in February 2014 providing that the net present value of Mr. May's pension program benefit will be not less than the amount that represents the value of his earned pension program benefit as of December 31, 2012, the end of the year during which Mr. May reached retirement age. The retirement benefit equaled \$23.05 million at that date. Such earned pension program benefit value could otherwise change in the future because of the reduction in mortality factors and potentially rising interest rates.

The values shown in this Table for the Named Executive Officers were based on benefit payments commencing at the earliest possible ages for retirement with unreduced benefits: Mr. May: age 67, Mr. Judge: age 60, Mr. Schweiger: age 60, Mr. McHale: age 60, Mr. Butler: age 62.

In addition, Eversource Energy determined benefits under the qualified pension program using tax code limits in effect on December 31, 2015. For Messrs. May, Judge and Schweiger, the values shown reflect actual 2015 salary and annual incentives earned in 2014 but paid in 2015 (per applicable supplemental program rules). For Messrs. McHale and Butler, the values shown reflect actual 2015 salary and annual incentives earned in 2014 but paid in 2016 (per applicable supplemental program rules).

Eversource Energy determined the present value of benefits at retirement age using discount rates within a range of 4.21 to 4.6 percent under ASC 715-30 pension accounting for the 2015 fiscal year end measurement (as of December 31, 2015). This present value assumes no pre-retirement mortality, turnover or disability. However, for the postretirement period beginning at retirement age, Eversource Energy used the RP2014 Employee Table Projected Generationally with Scale MP2015. This new mortality table (as published by the Society of Actuaries in 2014) and projection scale were used by the Eversource Pension Plan for year-end 2015 financial disclosure. Additional assumptions appear under the caption entitled "Management's Discussion and Analysis and Results of Operations" in this Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Pension Benefits

| Name | Plan Name | Number of Years Credited Service (#) | Present Value of Accumulation Benefit (\$) | During Last Fiscal Year (\$) |
|---------------------|-------------------|--------------------------------------|--------------------------------------------|------------------------------|
| Thomas J. May | Retirement Plan | 39.5 | 2,316,012 | — |
| | Supplemental Plan | 20 | 5,742,975 | — |
| | Supplemental Plan | 39.5 | 15,343,975 | — |
| James Judge | Retirement Plan | 38.33 | 2,577,634 | — |
| | Supplemental Plan | 20 | 5,143,879 | — |
| | Supplemental Plan | 38.33 | 2,975,682 | — |
| Werner J. Schweiger | Retirement Plan | 13.83 | 410,358 | — |
| | Supplemental Plan | 13.3 | 4,344,197 | — |
| | Supplemental Plan | 13.83 | 1,349,183 | — |
| David R. McHale | Retirement Plan | 34.3 | 1,562,280 | — |
| | Supplemental Plan | 34.3 | 5,994,100 | — |
| Gregory B. Butler | Retirement Plan | 19 | 863,707 | — |
| | Supplemental Plan | 19 | 2,509,375 | — |

NONQUALIFIED DEFERRED COMPENSATION IN 2015

See the narrative above in the Compensation Discussion and Analysis under the caption "ELEMENTS OF 2015 COMPENSATION - OTHER-Deferred Compensation" for more detail on the Eversource Energy non-qualified deferred compensation program.

| Name | Executive Contributions in Last FY (\$ (1)) | Registrant Contributions in Last FY (\$) | Aggregate Earnings in Last FY (\$) | Aggregate Withdrawals/Distributions (\$) | Aggregate Balance at Last FYE (\$ (2)) |
|---------------------|---------------------------------------------|------------------------------------------|------------------------------------|------------------------------------------|----------------------------------------|
| Thomas J. May | | | (694,724) | | 55,938,452 |
| James J. Judge | | | (54,437) | | 4,326,498 |
| Werner J. Schweiger | | | (20,723) | | 13,762,011 |
| David R. McHale | 12,106 | | (1,665) | | 126,804 |
| Gregory B. Butler | | | (150) | | 15,937 |

- (1) Includes deferrals under the Eversource Energy deferred compensation program. Named Executive Officers who participate in this program are provided with a variety of investment opportunities, which the individual can modify and reallocate under the program terms. Contributions by the Named Executive Officer are vested at all times. The amounts reported in this column for each Named Executive Officer are reflected as compensation to such Named Executive Officer in the Summary Compensation Table.
- (2) Includes the total market value of deferred compensation program balances at December 31, 2015, plus the value of vested RSUs or other awards for which the distribution of common shares is currently deferred, based on \$51.07, the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year. The aggregate balances reflect a significant level of earnings on previously earned and deferred compensation.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Generally, a "change of control" means a change in ownership or control effected through (i) the acquisition of 20 percent or more of the combined voting power of common shares or other voting securities (30 percent for Messrs. May, Judge and Schweiger, excluding certain defined transactions), (ii) the acquisition of more than 50 percent of common shares excluding certain defined transactions (for Messrs. May, Judge and Schweiger), (iii) a change in the majority of Eversource Energy's Board of Trustees, unless approved by a majority of the incumbent Trustees, (iv) certain reorganizations, mergers or consolidations where substantially all of the persons who were the beneficial owners of the outstanding common shares immediately prior to such business combination do not beneficially own more than 50 percent of the voting power of the resulting business entity (excluding in certain cases defined transactions), and (v) complete liquidation or dissolution of the Company, or a sale or disposition of all or substantially all of the assets of Eversource Energy other than, for Messrs. McHale and Butler, to an entity with respect to which following

completion of the transaction more than 50 percent of common shares or other voting securities is then owned by all or substantially all of the persons who were the beneficial owners of common shares and other voting securities immediately prior to such transaction.

In the event of a change of control, the Named Executive Officers are generally entitled to receive compensation and benefits following either involuntary termination of employment without "cause" or voluntary termination of employment for "good reason" within the applicable period (generally two years following change of control or shareholder approval thereof). The Committee believes that termination for good reason is conceptually the same as termination "without cause" and, in the absence of this provision, potential acquirers would have an incentive to constructively terminate executives to avoid paying severance. Termination for "cause" generally means termination due to a felony or certain other convictions; fraud, embezzlement, or theft in the course of employment; intentional, wrongful damage to Company property; gross misconduct or gross negligence in the course of employment or gross neglect of duties harmful to the Company; or a material breach of obligations under the agreement. "Good reason" for termination generally exists after assignment of duties inconsistent with executive's position, a material reduction in compensation or benefits, a transfer more than 50 miles from the executive's pre-change of control principal business location (or for Messrs. May, Judge and Schweiger, an involuntary transfer outside the Greater Boston Metropolitan Area), or requiring business travel to a substantially greater extent than required pre-change of control (for Messrs. May, Judge and Schweiger).

The discussion and tables below show compensation payable to each Named Executive Officer, in the event of: (i) termination for cause; (ii) voluntary termination; (iii) involuntary not-for-cause termination; (iv) termination in the event of disability; (v) death; and (vi) termination following change of control. The amounts shown assume that each termination was effective as of December 31, 2015, the last business day of the fiscal year.

The summaries above do not purport to be complete and are qualified in their entirety by the actual terms and provisions of the agreements and plans, copies of which have been filed as exhibits to this Annual Report on Form 10-K.

Payments Upon Termination

Regardless of the manner in which the employment of a Named Executive Officer terminates, he is entitled to receive certain amounts earned during his term of employment. Such amounts include:

- Vested RSUs and certain other vested awards;
- Amounts contributed and any vested matching contributions under the deferred compensation program;
- Pay for unused vacation; and
- Amounts accrued and vested under the pension/supplemental and 401k programs (except in the event of a termination for cause under the supplemental program).

See the section above captioned "PENSION BENEFITS IN 2015" for information about the pension program, supplemental program and other benefits, and the section captioned "NONQUALIFIED DEFERRED COMPENSATION IN 2015."

I. Post-Employment Compensation: Termination for Cause

| Type of Payment | May (\$) | Judge (\$) | Schweiger (\$) | McHale (\$) | Butler (\$) |
|----------------------------------------------|-------------|---------------|-------------------|----------------|----------------|
| Incentive Programs | | | | | |
| Annual Incentives | — | — | — | — | — |
| Performance Shares | — | — | — | — | — |
| RSUs | — | — | — | — | — |
| Pension and Deferred Compensation | | | | | |
| Supplemental Plan | — | — | — | — | — |
| Special Retirement Benefit | — | — | — | — | — |
| Deferral Plan | — | — | — | — | — |
| Other Benefits | | | | | |
| Health and Welfare Cash Value | — | — | — | — | — |
| Perquisites | — | — | — | — | — |
| Separation Payments | | | | | |
| Excise Tax & Gross-Up | — | — | — | — | — |
| Separation Payment for Non-Compete Agreement | — | — | — | — | — |
| Separation Payment for Liquidated Damages | — | — | — | — | — |
| Total | — | — | — | — | — |

II. Post-Employment Compensation: Voluntary Termination

| Type of Payment | May (\$) | Judge (\$) | Schweiger (\$) | McHale (\$) | Butler (\$) |
|----------------------------------------------|-------------------|------------------|-------------------|------------------|------------------|
| Incentive Programs | | | | | |
| Annual Incentives (1) | 2,400,000 | 690,000 | 680,000 | 630,000 | 525,000 |
| Performance Shares (2) | 8,637,112 | 1,364,243 | 1,013,050 | 1,364,243 | 948,806 |
| RSUs (3) | 5,440,093 | 591,219 | 462,276 | 591,219 | 412,029 |
| Pension and Deferred Compensation | | | | | |
| Supplemental Plan | — | — | — | — | — |
| Special Retirement Benefit | — | — | — | — | — |
| Deferral Plan | — | — | — | — | — |
| Other Benefits | | | | | |
| Health and Welfare Benefits | — | — | — | — | — |
| Perquisites | — | — | — | — | — |
| Separation Payments | | | | | |
| Excise Tax & Gross-Up | — | — | — | — | — |
| Separation Payment for Non-Compete Agreement | — | — | — | — | — |
| Separation Payment for Liquidated Damages | — | — | — | — | — |
| Total | 16,477,205 | 2,645,462 | 2,155,326 | 2,585,462 | 1,885,835 |

- (1) Represents actual 2015 annual incentive awards, determined as described in the Compensation Discussion and Analysis.
- (2) For Mr. May: Represents 100 percent of the performance share awards under each of the 2013 – 2015 Long-Term Incentive Program, the 2014 – 2016 Long-Term Incentive Program and the 2015 – 2017 Long-Term Incentive Program. For Messrs. Judge, Schweiger, McHale and Butler: Represents 100 percent of the performance share awards under the 2013 – 2015 Long-Term Incentive Program, 67 percent of the performance share awards under the 2014 – 2016 Long-Term Incentive Program and 33 percent of the performance share awards under the 2015 – 2017 Long-Term Incentive Program.
- (3) Represents values of RSUs granted under the Eversource Energy long-term incentive programs that, at year-end 2015, were unvested under applicable vesting schedules. Under these programs, RSUs vest pro rata based on credited service years and age at termination, and time worked during the vesting period. The values were calculated by multiplying the number of RSUs by \$51.07, the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year.

III. Post-Employment Compensation: Involuntary Termination, Not for Cause

| Type of Payment | May (\$) | Judge (\$) | Schweiger (\$) | McHale (\$) | Butler (\$) |
|--------------------------------------------------|-------------------|------------------|-------------------|------------------|------------------|
| Incentive Programs | | | | | |
| Annual Incentives (1) | 2,400,000 | 690,000 | 680,000 | 630,000 | 525,000 |
| Performance Shares (2) | 8,637,112 | 1,364,243 | 1,013,050 | 1,364,243 | 948,806 |
| RSUs (3) | 5,440,093 | 591,219 | 462,276 | 591,219 | 412,029 |
| Pension and Deferred Compensation | | | | | |
| Supplemental Plan | — | — | — | — | — |
| Special Retirement Benefit (4) | — | — | — | 755,035 | 3,809,612 |
| Deferral Plan | — | — | — | — | — |
| Other Benefits | | | | | |
| Health and Welfare Benefits (5) | — | — | — | 47,667 | 46,489 |
| Perquisites (6) | — | — | — | 10,000 | 10,000 |
| Separation Payments | | | | | |
| Excise Tax & Gross-Up | — | — | — | — | — |
| Separation Payment for Non-Compete Agreement (7) | — | — | — | 1,006,665 | 792,000 |
| Separation Payment for Liquidated Damages (8) | — | — | — | 1,006,665 | 792,000 |
| Total | 16,477,205 | 2,645,462 | 2,155,326 | 5,411,494 | 7,335,936 |

- (1) Represents actual 2015 annual incentive awards, determined as described in the Compensation Discussion and Analysis.
- (2) For Mr. May: Represents 100 percent of the performance share awards under each of the 2013 – 2015 Long-Term Incentive Program, the 2014 – 2016 Long-Term Incentive Program and the 2015 – 2017 Long-Term Incentive Program. For Messrs. Judge, Schweiger, McHale and Butler: Represents 100 percent of the performance share awards under the 2013 – 2015 Long-Term Incentive Program, 67 percent of the performance share awards under the 2014 – 2016 Long-Term Incentive Program and 33 percent of the performance share awards under the 2015 – 2017 Long-Term Incentive Program.
- (3) Represents values of RSUs under the Eversource Energy long-term incentive programs that, at year-end 2015, were unvested under applicable vesting schedules. Under these programs, RSUs vest pro rata based on credited service years and age at termination, and time worked during the vesting period. The values were calculated by multiplying the number of RSUs by \$51.07, the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year.

- (4) Represents actuarial present values at year-end 2015 of amounts payable solely under employment agreements upon termination (which are in addition to amounts due under the pension program). Agreements with Messrs. McHale and Butler provide for two years age and service credit under the supplemental program.
- (5) Represents estimated costs to Eversource Energy at year-end 2015 of providing post-employment health and welfare benefits beyond those available to non-executives upon involuntary termination. The amounts reported in the table for Messrs. McHale and Butler represent (a) the value of two years employer contributions toward active health, long-term disability, and life insurance benefits, plus (b) a payment to offset any taxes thereon (gross-up).
- (6) Represents the cost to Eversource Energy of reimbursing Messrs. McHale and Butler for two years financial planning and tax preparation fees.
- (7) Represents consideration for agreements not to compete with Eversource Energy following termination. Employment agreements with these executives provide for a lump-sum payment equal to the sum of their base salary plus annual incentive award. These payments do not replace, offset or otherwise affect the calculation or payment of the annual incentive awards.
- (8) Represents severance payments in addition to any non-compete agreement payments described in the prior note.

IV. Post-Employment Compensation: Termination Upon Disability

| Type of Payment | May (\$) | Judge (\$) | Schweiger (\$) | McHale (\$) | Butler (\$) |
|----------------------------------------------|-------------------|------------------|-------------------|------------------|------------------|
| Incentive Programs | | | | | |
| Annual Incentives (1) | 2,400,000 | 690,000 | 680,000 | 630,000 | 525,000 |
| Performance Shares (2) | 8,637,112 | 1,364,243 | 1,013,050 | 1,364,243 | 948,806 |
| RSUs (3) | 5,440,093 | 591,219 | 462,276 | 591,219 | 412,029 |
| Pension and Deferred Compensation | | | | | |
| Supplemental Plan | — | — | — | — | — |
| Special Retirement Benefit | — | — | — | — | — |
| Deferral Plan | — | — | — | — | — |
| Other Benefits | | | | | |
| Health and Welfare Benefits | — | — | — | — | — |
| Perquisites | — | — | — | — | — |
| Separation Payments | | | | | |
| Excise Tax & Gross-Up | — | — | — | — | — |
| Separation Payment for Non-Compete Agreement | — | — | — | — | — |
| Separation Payment for Liquidated Damages | — | — | — | — | — |
| Total | 16,477,205 | 2,645,462 | 2,155,326 | 2,585,462 | 1,885,835 |

- (1) Represents actual 2015 annual incentive awards, determined as described in the Compensation Discussion and Analysis.
- (2) For Mr. May: Represents 100 percent of the performance share awards under each of the 2013 – 2015 Long-Term Incentive Program, the 2014 – 2016 Long-Term Incentive Program and the 2015 – 2017 Long-Term Incentive Program. For Messrs. Judge, Schweiger, McHale and Butler: Represents 100 percent of the performance share awards under the 2013 – 2015 Long-Term Incentive Program, 67 percent of the performance share awards under the 2014 – 2016 Long-Term Incentive Program and 33 percent of the performance share awards under the 2015 – 2017 Long-Term Incentive Program.
- (3) Represents values of RSUs under the Eversource Energy long-term incentive programs that, at year-end 2015, were unvested under applicable vesting schedules. Under these programs, upon termination due to disability, awards vest in full or on a prorated basis based on credited service years and age at termination, and time worked during the vesting period. The values were calculated by multiplying the number of RSUs by \$51.07, the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year.

Post-Employment Compensation: Death

| Type of Payment | May (\$) | Judge (\$) | Schweiger (\$) | McHale (\$) | Butler (\$) |
|----------------------------------------------|-------------------|------------------|-------------------|------------------|------------------|
| Incentive Programs | | | | | |
| Annual Incentives (1) | 2,400,000 | 690,000 | 680,000 | 630,000 | 525,000 |
| Performance Shares (2) | 8,637,112 | 1,364,243 | 1,013,050 | 1,364,243 | 948,806 |
| RSUs (3) | 5,440,093 | 591,219 | 462,276 | 591,219 | 412,029 |
| Pension and Deferred Compensation | | | | | |
| Supplemental Plan | — | — | — | — | — |
| Special Retirement Benefit | — | — | — | — | — |
| Deferral Plan | — | — | — | — | — |
| Other Benefits | | | | | |
| Health and Welfare Benefits | — | — | — | — | — |
| Perquisites | — | — | — | — | — |
| Separation Payments | | | | | |
| Excise Tax & Gross-Up | — | — | — | — | — |
| Separation Payment for Non-Compete Agreement | — | — | — | — | — |
| Separation Payment for Liquidated Damages | — | — | — | — | — |
| Total | 16,477,205 | 2,645,462 | 2,155,326 | 2,585,462 | 1,885,835 |

- (1) Represents actual 2015 annual incentive awards, determined as described in the Compensation Discussion and Analysis.
- (2) For Mr. May: Represents 100 percent of the performance share awards under each of the 2013 – 2015 Long-Term Incentive Program, the 2014 – 2016 Long-Term Incentive Program and the 2015 – 2017 Long-Term Incentive Program. For Messrs. Judge, Schweiger, McHale and Butler: Represents 100 percent of the performance share awards under the 2013 – 2015 Long-Term Incentive Program, 67 percent of the performance share awards under the 2014 – 2016 Long-Term Incentive Program and 33 percent of the performance share awards under the 2015 – 2017 Long-Term Incentive Program.
- (3) Represents values of RSUs under the Eversource Energy long-term incentive programs that, at year-end 2015, were unvested under applicable vesting schedules. Under these programs, upon termination due to death, awards vest in full or are prorated based on credited service years and age at termination, and time worked during the vesting period. The values were calculated by multiplying the number of RSUs by \$51.07, the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year.

Payments Made Upon a Change of Control

The agreements with Messrs. May, Judge, Schweiger, McHale and Butler include change of control benefits. The agreements and the SSP are binding on Eversource Energy and on certain of its majority-owned subsidiaries.

Pursuant to the agreements and the SSP, if an involuntary non-"cause" termination of employment occurs following a change of control (see definition of "cause" above under the heading of "POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL"), or in the event of a voluntary termination for "good reason" (as described above under such heading), then the Named Executive Officers generally will receive the benefits listed below:

- For Messrs. May, Judge and Schweiger, a lump sum severance payment of three-times (two-times for Messrs. McHale and Butler) the sum of the executive's base salary plus annual incentive award for the relevant year (Base Compensation), plus for Messrs. McHale and Butler consideration for two year non-compete and non-solicitation covenants in the form of a lump sum payment equal to Base Compensation;
- Three years health benefits continuation;
- For Messrs. McHale and Butler, three years additional age and service credit under the applicable supplemental pension program (or a lump sum payment equal to the value of such credit under that program and the pension program for Messrs. May and Judge);
- Automatic vesting and distribution of long-term performance awards (with performance shares vesting at target) and certain other awards; and
- A lump sum equal to any excise taxes incurred under the Internal Revenue Code due to receipt of change of control payments, plus an amount to offset any taxes incurred on such payments (gross-up). Eversource Energy has discontinued the practice of providing such gross-up payments in contractual agreements for newly elected executives.

No other benefits will be payable to these executives unless employment terminates during the applicable period in the circumstances described below.

The above summaries do not purport to be complete and are qualified in their entirety by the actual terms and provisions of the agreements and programs (including component plans), copies of which have been filed as exhibits to this Annual Report on Form 10-K (where applicable).

VI. Post-Employment Compensation: Termination Following a Change of Control

| Type of Payment | May (\$) | Judge (\$) | Schweiger (\$) | McHale (\$) | Butler (\$) |
|--------------------------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| Incentive Programs | | | | | |
| Annual Incentives (1) | 2,400,000 | 690,000 | 680,000 | 630,000 | 525,000 |
| Performance Shares (2) | 8,637,112 | 1,935,003 | 1,512,957 | 1,935,003 | 1,348,292 |
| RSUs (3) | 5,660,627 | 1,215,799 | 1,004,226 | 1,215,799 | 848,990 |
| Pension and Deferred Compensation | | | | | |
| Supplemental Plan | — | — | — | — | — |
| Special Retirement Benefit (4) | 957,781 | 319,387 | 2,025,958 | 850,794 | 4,336,705 |
| Deferral Plan | — | — | — | — | — |
| Other Benefits | | | | | |
| Health and Welfare Benefits (5) | 73,246 | 71,169 | 71,353 | 71,501 | 69,734 |
| Perquisites (6) | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Separation Payments | | | | | |
| Excise Tax and Gross-Up (7) | — | — | — | 2,426,289 | 3,484,518 |
| Separation Payment for Non-Compete Agreement (8) | — | — | — | 1,006,665 | 792,000 |
| Separation Payment for Liquidated Damages (9) | 10,923,900 | 3,900,300 | 3,840,000 | 2,013,330 | 1,584,000 |
| Total | 28,667,666 | 8,146,658 | 9,149,494 | 10,164,381 | 13,004,239 |

- (1) Represents actual 2015 annual incentive awards, determined as described in the Compensation Discussion and Analysis.
- (2) Represents 100 percent of the performance share awards under each of the 2013 – 2015 Long-Term Incentive Program, the 2014 – 2016 Long-Term Incentive Program and the 2015 – 2017 Long-Term Incentive Program.
- (3) Represents values of RSUs under the Eversource Energy long-term incentive programs that, at year-end 2015, were unvested under applicable vesting schedules. Under these programs, upon termination in certain cases without cause or for good reason following a change of control, awards generally vest in full. The values were calculated by multiplying the number of shares subject to awards by \$51.07, the closing price of Eversource Energy common shares on December 31, 2015, the last trading day of the year.
- (4) Represents actuarial present value at year-end 2015 of amounts payable solely as a result of provisions in employment agreements (which are in addition to amounts payable under the pension program). Pension benefits were calculated by adding three years of service (and a lump sum of this benefit value is payable to Messrs. May, Judge, Schweiger and Butler). Pension amounts shown in the table are present values at year-end 2015 of benefits payable upon termination as described with respect to the Pension Benefits Table above.
- (5) Represents the cost to Eversource Energy at year-end 2015 (estimated by Eversource Energy's benefits consultants) of providing post-employment health and welfare benefits to Named Executive Officers beyond those benefits provided to non-executives upon involuntary termination. The amounts shown in the table for Messrs. May, Judge and Schweiger represent the value of three years continued welfare plan participation. The amounts shown in the table for Messrs. McHale and Butler represent (a) the value of three years employer contributions toward active health, long-term disability, and life insurance benefits, plus (b) a payment to offset any taxes on the value of these benefits (gross-up), less (c) the value of one year retiree health coverage at retiree rates.
- (6) Represents the cost to Eversource Energy of reimbursing financial planning and tax preparation fees for three years.
- (7) Represents payments made to offset costs to Messrs. McHale and Butler associated with certain excise taxes under Section 280G of the Internal Revenue Code. Executives may be subject to certain excise taxes under Section 280G if they receive payments and benefits related to a termination following a Change of Control that exceed specified Internal Revenue Service limits. Contractual agreements with the above executives provide for a grossed-up reimbursement of these excise taxes. The amounts in the table are based on the Section 280G excise tax rate of 20 percent, the statutory federal income tax withholding rate of 35 percent, the applicable state income tax rate, and the Medicare tax rate of 1.45 percent.
- (8) Represents payments made under agreements or the SSP as consideration for agreement not to compete with Eversource Energy following termination of employment equal to the sum of base salary plus relevant annual incentive award. These payments do not replace, offset or otherwise affect the calculation or payment of the annual incentive awards.
- (9) Represents severance payments in addition to any non-compete agreement payments described in the prior note. For Messrs. May, Judge and Schweiger, this payment equals three-times the sum of base salary plus relevant annual incentive award (two-times the sum for Messrs. McHale and Butler.) These payments do not replace, offset or otherwise affect the calculation or payment of the annual incentive awards.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Eversource Energy

In addition to the information below under "Securities Authorized for Issuance Under Equity Compensation Plans," incorporated herein by reference is the information contained in the sections "Common Share Ownership of Certain Beneficial Owners" and "Common Share Ownership of Trustees and Management" of Eversource Energy's definitive proxy statement for solicitation of proxies, expected to be filed with the SEC on or about March 24, 2016.

NSTAR ELECTRIC, PSNH and WMECO

Certain information required by this Item 12 has been omitted for NSTAR Electric, PSNH and WMECO pursuant to Instruction I(2)(c) to Form 10-K, Omission of Information by Certain Wholly-Owned Subsidiaries.

CL&P

COMMON SHARE OWNERSHIP OF DIRECTORS AND MANAGEMENT

Eversource Energy owns 100 percent of the outstanding common stock of CL&P. The table below shows the number of Eversource Energy common shares beneficially owned as of February 16, 2016, by each of CL&P's directors and each Named Executive Officer of CL&P, as well as the number of Eversource Energy common shares beneficially owned by all of CL&P's directors and executive officers as a group. The table also includes information about options, restricted share units and deferred shares credited to the accounts of CL&P's directors and executive officers under certain compensation and benefit plans. No equity securities of CL&P are owned by any of the Trustees, directors or executive officers of Eversource Energy or CL&P. The address for the shareholders listed below is c/o Eversource Energy, Prudential Center, 800 Boylston Street, Boston, Massachusetts 02199 for Messrs. May, Judge and Schweiger; c/o Eversource Energy, 56 Prospect Street, Hartford, Connecticut 06103-2818 for Messrs. Butler and McHale.

| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership ⁽¹⁾⁽²⁾⁽³⁾ | Percent of Class |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------|
| Thomas J. May, Chairman of the Regulated companies | 1,588,991 | * |
| James J. Judge, Executive Vice President and Chief Financial Officer, Director of the Regulated companies | 300,299 | * |
| Werner J. Schweiger, Chief Executive Officer, Director of the Regulated companies | 486,236 | * |
| David R. McHale, Executive Vice President and Chief Administrative Officer of Eversource Energy and Eversource Energy Service Company | 174,441 ⁽⁴⁾ | * |
| Gregory B. Butler, Senior Vice President and General Counsel, Director of the Regulated companies | 106,842 ⁽⁵⁾ | * |
| All directors and executive officers as a group (8 persons) | 2,860,190 ⁽⁶⁾ | * |

* Less than 1% of Eversource Energy common shares outstanding.

- The persons named in the table have sole voting and investment power with respect to all shares beneficially owned by each of them, except as note below.
- Includes Eversource Energy common shares issuable upon exercise of outstanding stock options exercisable within the 60-day period after February 16, 2016, as follows: Mr. Schweiger: 171,872 shares.

Also includes restricted share units, deferred restricted share units and/or deferred shares, including dividend equivalents, as to which none of the individuals has voting or investment power, and phantom shares, representing employer matching contributions distributable only in cash, held by executive officers who participate in the Eversource Deferred Compensation Plan as follows: Mr. Butler: 15,826 shares; Mr. Judge: 105,704; Mr. May: 1,027,240; Mr. McHale: 24,311 shares; and Mr. Schweiger: 205,551 shares. Also includes unvested performance shares reported at target payouts, plus accumulated dividend equivalents, as to which none of the individuals has voting or investment power, as follows: Mr. Butler: 24,121 shares; Mr. Judge: 35,396 shares; Mr. May: 169,579 shares; Mr. McHale: 35,396 shares; and Mr. Schweiger: 31,138 shares. Actual payouts of the performance shares, if any, at the conclusion of relevant performance periods will depend on the extent to which performance goals are satisfied.

- Includes Eversource Energy common shares held as units in the 401(k) Plan invested in the Eversource Energy Common Shares Fund over which the holder has sole voting and investment power (Mr. Butler: 5,046 shares; Mr. Judge: 23,533 shares; Mr. May: 68,793 shares; Mr. McHale: 7,706 shares; and Mr. Schweiger: 9,197 shares).
- Includes 132 Eversource Energy common shares held by Mr. McHale in the 401(k) Plan TRAESOP/PAYSOP account over which Mr. McHale has sole voting and investment power.
- Includes 41,567 Eversource Energy common shares owned jointly by Mr. Butler and his spouse with whom he shares voting and investment power.

6. Includes 1,182 Eversource Energy common shares issuable upon exercise of outstanding stock options exercisable within the 60-day period after February 16, 2016, and 1,779,731 unissued Eversource Energy common shares. See note 2.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Eversource Energy common shares issuable under Eversource Energy equity compensation plans, as well as their weighted exercise price, as of December 31, 2015, in accordance with the rules of the SEC:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by security holders | 1,429,608 | \$26.47 | 3,748,270 |
| Equity compensation plans not approved by security holders (d) | — | — | — |
| Total | 1,429,608 | \$26.47 | 3,748,270 |

- (a) Includes 171,872 common shares to be issued upon exercise of options, 729,308 common shares for distribution of restricted share units, and 528,428 performance shares issuable at target, all pursuant to the terms of our Incentive Plan.
- (b) The weighted-average exercise price in Column (b) does not take into account restricted share units or performance shares, which have no exercise price.
- (c) Includes 743,260 common shares issuable under our Employee Share Purchase Plan II.
- (d) All of our current compensation plans under which equity securities of Eversource Energy are authorized for issuance have been approved by shareholders of Eversource Energy or the former shareholders of NSTAR.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Eversource Energy

Incorporated herein by reference is the information contained in the sections captioned "Trustee Independence" and "Certain Relationships and Related Transactions" of Eversource Energy's definitive proxy statement for solicitation of proxies, expected to be filed with the SEC on or about March 24, 2016.

NSTAR ELECTRIC, PSNH and WMECO

Certain information required by this Item 13 has been omitted for NSTAR Electric, PSNH and WMECO pursuant to Instruction I(2)(c) to Form 10-K, Omission of Information by Certain Wholly-Owned Subsidiaries.

CL&P

Eversource Energy's Code of Ethics for Senior Financial Officers applies to the Senior Financial Officers (Chief Executive Officer, Chief Financial Officer and Controller) of Eversource Energy, CL&P and certain other Eversource Energy subsidiaries. Under the Code, one's position as a Senior Financial Officer in the company may not be used to improperly benefit such officer or his or her family or friends. Under the Code, specific activities that may be considered conflicts of interest include, but are not limited to, directly or indirectly acquiring or retaining a significant financial interest in an organization that is a customer, vendor or competitor, or that seeks to do business with the company; serving, without proper safeguards, as an officer or director of, or working or rendering services for an organization that is a customer, vendor or competitor, or that seeks to do business with the company. Waivers of the provisions of the Code of Ethics for Trustees, executive officers or directors must be approved by Eversource Energy's Board of Trustees. Any such waivers will be disclosed pursuant to legal requirements.

Eversource Energy's Code of Conduct, which applies to all Trustees, directors, officers and employees of Eversource Energy and its subsidiaries, including CL&P, contains a Conflict of Interest Policy that requires all such individuals to disclose any potential conflicts of interest. Such individuals are expected to discuss their particular situations with management to ensure appropriate steps are in place to avoid a conflict of interest. All disclosures must be reviewed and approved by management to ensure a particular situation does not adversely impact the individual's primary job and role.

Eversource Energy's Related Persons Transactions Policy is administered by the Corporate Governance Committee of Eversource Energy's Board of Trustees. The Policy generally defines a "Related Persons Transaction" as any transaction or series of transactions in which (i) Eversource Energy or a subsidiary is a participant, (ii) the aggregate amount involved exceeds \$120,000 and (iii) any "Related Persons" has a direct or indirect material interest. A "Related Persons" is defined as any Trustee or nominee for Trustee, any executive officer, any shareholder owning more than 5 percent of Eversource Energy's total outstanding shares, and any immediate family member of any such person. Management submits to the Corporate Governance Committee for consideration any Related Persons Transaction into which Eversource Energy or a subsidiary proposes to enter. The Corporate Governance Committee recommends to the Eversource Energy Board of Trustees for approval only those transactions that are in

Eversource Energy's best interests. If management causes the company to enter into a Related Persons Transaction prior to approval by the Corporate Governance Committee, the transaction will be subject to ratification by the Eversource Energy Board of Trustees. If the Eversource Energy Board of Trustees determines not to ratify the transaction, then management will make all reasonable efforts to cancel or annul such transaction.

The directors of CL&P are employees of CL&P and/or other subsidiaries of Eversource Energy, and thus are not considered independent.

Item 14. Principal Accountant Fees and Services

Eversource Energy

Incorporated herein by reference is the information contained in the section "Relationship with Independent Auditors" of Eversource Energy's definitive proxy statement for solicitation of proxies, expected to be filed with the SEC on or about March 24, 2016.

CL&P, NSTAR ELECTRIC, PSNH and WMECO

Pre-Approval of Services Provided by Principal Auditors

None of CL&P, NSTAR Electric, PSNH or WMECO is subject to the audit committee requirements of the SEC, the national securities exchanges or the national securities associations. CL&P, NSTAR Electric, PSNH and WMECO obtain audit services from the independent auditor engaged by the Audit Committee of Eversource Energy's Board of Trustees. Eversource Energy's Audit Committee has established policies and procedures regarding the pre-approval of services provided by the principal auditors. Those policies and procedures delegate pre-approval of services to the Eversource Energy Audit Committee Chair provided that such offices are held by Trustees who are "independent" within the meaning of the Sarbanes-Oxley Act of 2002 and that all such pre-approvals are presented to the Eversource Energy Audit Committee at the next regularly scheduled meeting of the Committee.

The following relates to fees and services for the entire Eversource Energy system, including Eversource Energy, CL&P, NSTAR Electric, PSNH and WMECO.

Fees Billed By Principal Independent Registered Public Accounting Firm

The aggregate fees billed to the Company and its subsidiaries by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the Deloitte Entities), for the years ended December 31, 2015 and 2014 totaled \$4,066,126 and \$3,986,500 respectively. In addition, affiliates of Deloitte & Touche LLP as noted below provide other accounting services to the Company. Fees consisted of the following:

1. Audit Fees

The aggregate fees billed to the Company and its subsidiaries by Deloitte & Touche LLP for audit services rendered for the years ended December 31, 2015 and 2014 totaled \$3,895,500 and \$3,775,000, respectively. The audit fees were incurred for audits of consolidated financial statements of Eversource Energy and its subsidiaries, reviews of financial statements included in the Combined Quarterly Reports on Form 10-Q of Eversource Energy and its subsidiaries, comfort letters, consents and other costs related to registration statements and financings. The fees also included audits of internal controls over financial reporting as of December 31, 2015 and 2014.

2. Audit Related Fees

The aggregate fees billed to the Company and its subsidiaries by the Deloitte Entities for audit related services rendered for the years ended December 31, 2015 and 2014 totaled \$168,000 and \$175,000, respectively. The audit related fees were incurred for procedures performed in the ordinary course of business in support of certain regulatory filings.

3. Tax Fees

There were no tax fees for the years ended December 31, 2015 and 2014.

4. All Other Fees

The aggregate fees billed to the Company and its subsidiaries by the Deloitte Entities for services other than the services described above for the years ended December 31, 2015 and 2014 totaled \$2,626 and \$36,500, respectively. This fee was for a license for access to an accounting standards research tool in both 2015 and 2014, as well as an IT Security Assessment performed in 2014.

The Audit Committee pre-approves all auditing services and permitted audit related or other services (including the fees and terms thereof) to be performed for us by our independent registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate its authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals are presented to the full Audit Committee at its next scheduled meeting. During 2015, all services described above were pre-approved by the Audit Committee.

The Audit Committee has considered whether the provision by the Deloitte Entities of the non-audit services described above was allowed under Rule 2-01(c)(4) of Regulation S-X and was compatible with maintaining the independence of the registered public accountants and has concluded that the Deloitte Entities were and are independent of us in all respects.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements:

The financial statements filed as part of this Annual Report on Form 10-K are set forth under Item 8, "Financial Statements and Supplementary Data."

2. Schedules

I. Financial Information of Registrant:

Eversource Energy (Parent) Balance Sheets as of December 31, 2015 and 2014 S-1

Eversource Energy (Parent) Statements of Income for the Years Ended
December 31, 2015, 2014 and 2013 S-2

Eversource Energy (Parent) Statements of Comprehensive Income for the Years Ended December 31,
2015, 2014 and 2013 S-2

Eversource Energy (Parent) Statements of Cash Flows for the Years Ended
December 31, 2015, 2014 and 2013 S-3

II. Valuation and Qualifying Accounts and Reserves for Eversource, CL&P, NSTAR Electric, PSNH and
WMECO for 2015, 2014 and 2013 S-4

All other schedules of the companies for which inclusion is required in the applicable regulations of the
SEC are permitted to be omitted under the related instructions or are not applicable, and therefore have
been omitted.

3. Exhibit Index E-1

EVERSOURCE ENERGY

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EVERSOURCE ENERGY

February 26, 2016

By: /s/ Jay S. Buth
Jay S. Buth
Vice President, Controller and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Gregory B. Butler, James J. Judge and Jay S. Buth and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------|
| <u>/s/ Thomas J. May</u> Thomas J. May | Chairman, President and Chief Executive Officer, and a Trustee (Principal Executive Officer) | February 26, 2016 |
| <u>/s/ James J. Judge</u> James J. Judge | Executive Vice President and Chief Financial Officer (Principal Financial Officer) | February 26, 2016 |
| <u>/s/ Jay S. Buth</u> Jay S. Buth | Vice President, Controller and Chief Accounting Officer | February 26, 2016 |
| <u>/s/ John S. Clarkeson</u> John S. Clarkeson | Trustee | February 26, 2016 |
| <u>/s/ Cotton M. Cleveland</u> Cotton M. Cleveland | Trustee | February 26, 2016 |
| <u>/s/ Sanford Cloud, Jr.</u> Sanford Cloud, Jr. | Trustee | February 26, 2016 |
| <u>/s/ James S. DiStasio</u> James S. DiStasio | Trustee | February 26, 2016 |
| <u>/s/ Francis A. Doyle</u> Francis A. Doyle | Trustee | February 26, 2016 |

| | | |
|-----------------------------------------------------------|---------|-------------------|
| <u>/s/ Charles K. Gifford</u> Charles K. Gifford | Trustee | February 26, 2016 |
| <u>/s/ Paul A. La Camera</u> Paul A. La Camera | Trustee | February 26, 2016 |
| <u>/s/ Kenneth R. Leibler</u> Kenneth R. Leibler | Trustee | February 26, 2016 |
| <u>/s/ William C. Van Faasen</u> William C. Van Faasen | Trustee | February 26, 2016 |
| <u>/s/ Frederica M. Williams</u> Frederica M. Williams | Trustee | February 26, 2016 |
| <u>/s/ Dennis R. Wraase</u> Dennis R. Wraase | Trustee | February 26, 2016 |

THE CONNECTICUT LIGHT AND POWER COMPANY

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CONNECTICUT LIGHT AND POWER COMPANY

February 26, 2016

By: /s/ Jay S. Buth
Jay S. Buth
Vice President, Controller and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Gregory B. Butler, James J. Judge and Jay S. Buth and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------|
| <u>/s/ Thomas J. May</u> Thomas J. May | Chairman and a Director (Principal Executive Officer) | February 26, 2016 |
| <u>/s/ Werner J. Schweiger</u> Werner J. Schweiger | President, Chief Executive Officer and a Director | February 26, 2016 |
| <u>/s/ James J. Judge</u> James J. Judge | Executive Vice President and Chief Financial Officer and a Director (Principal Financial Officer) | February 26, 2016 |
| <u>/s/ Gregory B. Butler</u> Gregory B. Butler | Senior Vice President and General Counsel and a Director | February 26, 2016 |
| <u>/s/ Jay S. Buth</u> Jay S. Buth | Vice President, Controller and Chief Accounting Officer | February 26, 2016 |

NSTAR ELECTRIC COMPANY

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NSTAR ELECTRIC COMPANY

February 26, 2016

By: /s/ Jay S. Buth
 Jay S. Buth
 Vice President, Controller and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Gregory B. Butler, James J. Judge and Jay S. Buth and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------|
| <u>/s/ Thomas J. May</u> Thomas J. May | Chairman and a Director (Principal Executive Officer) | February 26, 2016 |
| <u>/s/ Werner J. Schweiger</u> Werner J. Schweiger | Chief Executive Officer and a Director | February 26, 2016 |
| <u>/s/ James J. Judge</u> James J. Judge | Executive Vice President and Chief Financial Officer and a Director (Principal Financial Officer) | February 26, 2016 |
| <u>/s/ Gregory B. Butler</u> Gregory B. Butler | Senior Vice President and General Counsel and a Director | February 26, 2016 |
| <u>/s/ Jay S. Buth</u> Jay S. Buth | Vice President, Controller and Chief Accounting Officer | February 26, 2016 |

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

February 26, 2016

By: /s/ Jay S. Buth
Jay S. Buth
Vice President, Controller and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Gregory B. Butler, James J. Judge and Jay S. Buth and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------|
| <u>/s/ Thomas J. May</u> Thomas J. May | Chairman and a Director (Principal Executive Officer) | February 26, 2016 |
| <u>/s/ Werner J. Schweiger</u> Werner J. Schweiger | Chief Executive Officer and a Director | February 26, 2016 |
| <u>/s/ James J. Judge</u> James J. Judge | Executive Vice President and Chief Financial Officer and a Director (Principal Financial Officer) | February 26, 2016 |
| <u>/s/ Gregory B. Butler</u> Gregory B. Butler | Senior Vice President and General Counsel and a Director | February 26, 2016 |
| <u>/s/ Jay S. Buth</u> Jay S. Buth | Vice President, Controller and Chief Accounting Officer | February 26, 2016 |

WESTERN MASSACHUSETTS ELECTRIC COMPANY

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTERN MASSACHUSETTS ELECTRIC COMPANY

February 26, 2016

By: /s/ Jay S. Buth
Jay S. Buth
Vice President, Controller and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Gregory B. Butler, James J. Judge and Jay S. Buth and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------|
| <u>/s/ Thomas J. May</u> Thomas J. May | Chairman and a Director (Principal Executive Officer) | February 26, 2016 |
| <u>/s/ Werner J. Schweiger</u> Werner J. Schweiger | Chief Executive Officer and a Director | February 26, 2016 |
| <u>/s/ James J. Judge</u> James J. Judge | Executive Vice President and Chief Financial Officer and a Director (Principal Financial Officer) | February 26, 2016 |
| <u>/s/ Gregory B. Butler</u> Gregory B. Butler | Senior Vice President and General Counsel and a Director | February 26, 2016 |
| <u>/s/ Jay S. Buth</u> Jay S. Buth | Vice President, Controller and Chief Accounting Officer | February 26, 2016 |

SCHEDULE I
EVERSOURCE ENERGY (PARENT)
FINANCIAL INFORMATION OF REGISTRANT
BALANCE SHEETS
AS OF DECEMBER 31, 2015 AND 2014
(Thousands of Dollars)

| | 2015 | 2014 |
|------------------------------------------------|---------------|---------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 67 | \$ 138 |
| Accounts Receivable from Subsidiaries | 23,689 | 6,725 |
| Notes Receivable from Subsidiaries | 850,300 | 741,150 |
| Prepayments and Other Current Assets | 41,254 | 41,366 |
| Total Current Assets | 915,310 | 789,379 |
| Deferred Debits and Other Assets: | | |
| Investments in Subsidiary Companies, at Equity | 8,915,178 | 8,387,976 |
| Notes Receivable from Subsidiaries | 128,800 | 106,300 |
| Accumulated Deferred Income Taxes | 143,054 | 177,908 |
| Goodwill | 3,231,811 | 3,231,811 |
| Other Long-Term Assets | 48,314 | 34,483 |
| Total Deferred Debits and Other Assets | 12,467,157 | 11,938,478 |
| Total Assets | \$ 13,382,467 | \$ 12,727,857 |
| LIABILITIES AND CAPITALIZATION | | |
| Current Liabilities: | | |
| Notes Payable | \$ 1,098,453 | \$ 654,825 |
| Long-Term Debt - Current Portion | 28,883 | 28,883 |
| Accounts Payable | 78 | 141 |
| Accounts Payable to Subsidiaries | 15,601 | 150,268 |
| Other | 60,999 | 71,778 |
| Total Current Liabilities | 1,204,014 | 905,895 |
| Deferred Credits and Other Liabilities: | | |
| Other | 134,908 | 125,608 |
| Total Deferred Credits and Other Liabilities | 134,908 | 125,608 |
| Capitalization: | | |
| Long-Term Debt | 1,691,330 | 1,719,539 |
| Equity: | | |
| Common Shareholders' Equity: | | |
| Common Shares | 1,669,313 | 1,666,796 |
| Capital Surplus, Paid in | 6,262,368 | 6,235,834 |
| Retained Earnings | 2,797,355 | 2,448,661 |
| Accumulated Other Comprehensive Loss | (66,844) | (74,009) |
| Treasury Stock | (309,977) | (300,467) |
| Common Shareholders' Equity | 10,352,215 | 9,976,815 |
| Total Capitalization | 12,043,545 | 11,696,354 |
| Total Liabilities and Capitalization | \$ 13,382,467 | \$ 12,727,857 |

See the Combined Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for a description of significant accounting matters related to Eversource parent, including Eversource common shares information as described in Note 16, "Common Shares," material obligations and guarantees as described in Note 11, "Commitments and Contingencies," and debt agreements as described in Note 7, "Short-Term Debt," and Note 8, "Long-Term Debt."

SCHEDULE I
EVERSOURCE ENERGY (PARENT)
FINANCIAL INFORMATION OF REGISTRANT
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Thousands of Dollars, Except Share Information)

| | 2015 | 2014 | 2013 |
|---------------------------------------------|-------------|-------------|-------------|
| Operating Revenues | \$ - | \$ - | \$ 8 |
| Operating Expenses: | | | |
| Other | 9,315 | 29,598 | 12,766 |
| Operating Loss | (9,315) | (29,598) | (12,758) |
| Interest Expense | 45,130 | 33,168 | 31,639 |
| Other Income, Net: | | | |
| Equity in Earnings of Subsidiaries | 900,824 | 848,435 | 785,650 |
| Other, Net | 6,602 | 1,830 | 5,062 |
| Other Income, Net | 907,426 | 850,265 | 790,712 |
| Income Before Income Tax Benefit | 852,981 | 787,499 | 746,315 |
| Income Tax Benefit | (25,504) | (32,047) | (39,692) |
| Net Income | \$ 878,485 | \$ 819,546 | \$ 786,007 |
| Basic Earnings per Common Share | \$ 2.77 | \$ 2.59 | \$ 2.49 |
| Diluted Earnings per Common Share | \$ 2.76 | \$ 2.58 | \$ 2.49 |
| Weighted Average Common Shares Outstanding: | | | |
| Basic | 317,336,881 | 316,136,748 | 315,311,387 |
| Diluted | 318,432,687 | 317,417,414 | 316,211,160 |

STATEMENTS OF COMPREHENSIVE INCOME

| | | | |
|---------------------------------------------------------------|------------|------------|------------|
| Net Income | \$ 878,485 | \$ 819,546 | \$ 786,007 |
| Other Comprehensive Income/(Loss), Net of Tax: | | | |
| Qualified Cash Flow Hedging Instruments | 2,079 | 2,037 | 2,049 |
| Changes in Unrealized (Losses)/Gains on Marketable Securities | (2,588) | 315 | (940) |
| Change in Funded Status of Pension, SERP and PBOP | | | |
| Benefit Plans | 7,674 | (30,330) | 25,714 |
| Other Comprehensive Income/(Loss), Net of Tax | 7,165 | (27,978) | 26,823 |
| Comprehensive Income | \$ 885,650 | \$ 791,568 | \$ 812,830 |

See the Combined Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for a description of significant accounting matters related to Eversource parent, including Eversource common shares information as described in Note 16, "Common Shares," material obligations and guarantees as described in Note 11, "Commitments and Contingencies," and debt agreements as described in Note 7, "Short-Term Debt," and Note 8, "Long-Term Debt."

SCHEDULE I
EVERSOURCE ENERGY (PARENT)
FINANCIAL INFORMATION OF REGISTRANT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 and 2013
(Thousands of Dollars)

| | 2015 | 2014 | 2013 |
|-----------------------------------------------------------|-------------|-------------|-------------|
| Operating Activities: | | | |
| Net Income | \$ 878,485 | \$ 819,546 | \$ 786,007 |
| Adjustments to Reconcile Net Income to Net Cash | | | |
| Flows Provided by Operating Activities: | | | |
| Equity in Earnings of Subsidiaries | (900,824) | (848,435) | (785,650) |
| Cash Dividends Received from Subsidiaries | 602,300 | 609,800 | 407,837 |
| Deferred Income Taxes | 16,880 | 7,956 | 15,159 |
| Other | (22,864) | 9,409 | 29,169 |
| Changes in Current Assets and Liabilities: | | | |
| Accounts Receivables from Subsidiaries | (16,980) | 88,800 | 14,704 |
| Taxes Receivable/Accrued, Net | (14,426) | 23,178 | 13,295 |
| Accounts Payable, Including Affiliate Payables | (134,730) | 5,942 | (7,058) |
| Other Current Assets and Liabilities, Net | 6,832 | 14,484 | (1,411) |
| Net Cash Flows Provided by Operating Activities | 414,673 | 730,680 | 472,052 |
| Investing Activities: | | | |
| Capital Contributions to Subsidiaries | (218,500) | (437,553) | (65,400) |
| (Increase)/Decrease in Notes Receivable from Subsidiaries | (131,650) | 86,100 | 5,475 |
| Other Investing Activities | 12,000 | - | (1,862) |
| Net Cash Flows Used in Investing Activities | (338,150) | (351,453) | (61,787) |
| Financing Activities: | | | |
| Cash Dividends on Common Shares | (529,791) | (475,227) | (462,741) |
| Issuance of Long-Term Debt | 450,000 | - | 750,000 |
| Retirement of Long-Term Debt | - | - | (550,000) |
| (Decrease)/Increase in Short-Term Debt | (2,622) | 86,575 | (135,500) |
| Other Financing Activities | 5,819 | 9,528 | (12,418) |
| Net Cash Flows (Used in)/Provided by Financing Activities | (76,594) | (379,124) | (410,659) |
| Net (Decrease)/Increase in Cash | (71) | 103 | (394) |
| Cash - Beginning of Year | 138 | 35 | 429 |
| Cash - End of Year | \$ 67 | \$ 138 | \$ 35 |
| Supplemental Cash Flow Information: | | | |
| Cash Paid/(Received) During the Year for: | | | |
| Interest | \$ 43,024 | \$ 36,208 | \$ 33,822 |
| Income Taxes | \$ (34,680) | \$ (86,804) | \$ (30,603) |

See the Combined Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for a description of significant accounting matters related to Eversource parent, including Eversource common shares information as described in Note 16, "Common Shares," material obligations and guarantees as described in Note 11, "Commitments and Contingencies," and debt agreements as described in Note 7, "Short-Term Debt," and Note 8, "Long-Term Debt."

SCHEDULE II
EVERSOURCE ENERGY AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Thousands of Dollars)

| Column A | Column B | | Column C | | Column D | Column E |
|--------------------------------------|---------------------------------|--------------------------------------|-------------------------------------------------|---------------------------|---------------------------|----------|
| Description: | Balance as of Beginning of Year | Additions | | Deductions - Describe (b) | Balance as of End of Year | |
| | | (1) Charged to Costs and Expenses | (2) Charged to Other Accounts - Describe (a) | | | |
| <u>Eversource:</u> | | | | | | |
| Reserves Deducted from Assets - | | | | | | |
| Reserves for Uncollectible Accounts: | | | | | | |
| 2015 | \$ 175,317 | \$ 51,077 | \$ 79,622 | \$ 115,336 | \$ 190,680 | |
| 2014 | 171,251 | 55,657 | 51,227 | 102,818 | 175,317 | |
| 2013 | 165,549 | 55,465 | 37,744 | 87,507 | 171,251 | |
| <u>CL&P:</u> | | | | | | |
| Reserves Deducted from Assets - | | | | | | |
| Reserves for Uncollectible Accounts: | | | | | | |
| 2015 | \$ 84,287 | \$ 10,105 | \$ 30,592 | \$ 45,505 | \$ 79,479 | |
| 2014 | 81,995 | 6,598 | 39,706 | 44,012 | 84,287 | |
| 2013 | 77,571 | 3,947 | 27,258 | 26,781 | 81,995 | |
| <u>NSTAR Electric:</u> | | | | | | |
| Reserves Deducted from Assets - | | | | | | |
| Reserves for Uncollectible Accounts: | | | | | | |
| 2015 | \$ 40,670 | \$ 14,228 | \$ 29,559 | \$ 31,829 | \$ 52,628 | |
| 2014 | 41,679 | 24,740 | 627 | 26,376 | 40,670 | |
| 2013 | 44,115 | 28,108 | - | 30,544 | 41,679 | |
| <u>PSNH:</u> | | | | | | |
| Reserves Deducted from Assets - | | | | | | |
| Reserves for Uncollectible Accounts: | | | | | | |
| 2015 | \$ 7,663 | \$ 8,889 | \$ 841 | \$ 8,660 | \$ 8,733 | |
| 2014 | 7,364 | 6,815 | 797 | 7,313 | 7,663 | |
| 2013 | 6,760 | 6,608 | 779 | 6,783 | 7,364 | |
| <u>WMECO:</u> | | | | | | |
| Reserves Deducted from Assets - | | | | | | |
| Reserves for Uncollectible Accounts: | | | | | | |
| 2015 | \$ 9,880 | \$ 4,940 | \$ 7,418 | \$ 8,190 | \$ 14,048 | |
| 2014 | 9,984 | 2,415 | 3,608 | 6,127 | 9,880 | |
| 2013 | 8,501 | 2,580 | 4,299 | 5,396 | 9,980 | |

- (a) Amounts relate to uncollectible accounts receivables reserved for that are not charged to bad debt expense. The PURA allows CL&P and Yankee Gas to accelerate the recovery of accounts receivable balances attributable to qualified customers under financial or medical duress (uncollectible hardship accounts receivable) outstanding for greater than 180 days and 90 days, respectively. The DPU allows WMECO and NSTAR Gas to also recover in rates amounts associated with certain uncollectible hardship accounts receivable. Certain of NSTAR Electric's uncollectible hardship accounts receivable are expected to be recovered in future rates, similar to WMECO and NSTAR Gas.
- (b) Amounts written off, net of recoveries.

EXHIBIT INDEX

Each document described below is incorporated by reference by the registrant(s) listed to the files identified, unless designated with a (*), which exhibits are filed herewith. Management contracts and compensation plans or arrangements are designated with a (+).

| Exhibit Number | Description |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Articles of Incorporation and By-Laws |
| (A) | Eversource Energy |
| 3.1 | Declaration of Trust of Eversource Energy, as amended through April 30, 2015 (Exhibit 3.1 Eversource Energy Current Report on Form 8-K filed on April 30, 2015, File No. 001-05324) |
| (B) | The Connecticut Light and Power Company |
| 3.1 | Certificate of Incorporation of CL&P, restated to March 22, 1994 (Exhibit 3.2.1, 1993 CL&P Form 10-K, File No. 000-00404) |
| 3.1.1 | Certificate of Amendment to Certificate of Incorporation of CL&P, dated December 26, 1996 (Exhibit 3.2.2, 1996 CL&P Form 10-K filed March 25, 1997, File No. 001-11419) |
| 3.1.2 | Certificate of Amendment to Certificate of Incorporation of CL&P, dated April 27, 1998 (Exhibit 3.2.3, 1998 CL&P Form 10-K filed March 23, 1999, File No. 000-00404) |
| 3.1.3 | Amended and Restated Certificate of Incorporation of CL&P, dated effective January 3, 2012 (Exhibit 3(i), CL&P Current Report on Form 8-K filed January 9, 2012, File No. 000-00404) |
| 3.2 | By-laws of CL&P, as amended and restated effective September 29, 2014 (Exhibit 3.1, CL&P Current Report on Form 8-K filed October 2, 2014, File No. 000-00404) |
| (C) | NSTAR Electric Company |
| 3.1 | Restated Articles of Organization of NSTAR Electric Company, fka Boston Edison Company (Exhibit 3.1, NSTAR Electric Form 10-Q for the Quarter Ended June 30, 1994 filed August 12, 1994, File No. 001-02301) |
| 3.2 | Bylaws of NSTAR Electric Company, as amended and restated effective September 29, 2014 (Exhibit 3.1, NSTAR Electric Current Report on Form 8-K filed October 2, 2014, File No. 000-02301) |
| (D) | Public Service Company of New Hampshire |
| 3.1 | Articles of Incorporation, as amended to May 16, 1991 (Exhibit 3.3.1, 1993 PSNH Form 10-K filed March 25, 1994, File No. 001-06392) |
| 3.2 | By-laws of PSNH, as in effect June 27, 2008 (Exhibit 3, PSNH Form 10-Q for the Quarter Ended June 30, 2008 filed August 7, 2008, File No. 001-06392) |
| (E) | Western Massachusetts Electric Company |
| 3.1 | Articles of Organization of WMECO, restated to February 23, 1995 (Exhibit 3.4.1, 1994 WMECO Form 10-K filed March 27, 1995, File No. 001-07624) |
| 3.2 | By-laws of WMECO, as amended to April 1, 1999 (Exhibit 3.1, WMECO Form 10-Q for the Quarter Ended June 30, 1999 filed August 13, 1999, File No. 000-07624) |
| 3.2.1 | By-laws of WMECO, as further amended to May 1, 2000 (Exhibit 3.1, WMECO Form 10-Q for the Quarter Ended June 30, 2000 filed August 11, 2000, File No.000-07624) |

(A) Eversource Energy

- 4.1 Indenture between Eversource Energy and The Bank of New York as Trustee dated as of April 1, 2002 (Exhibit A-3, Eversource Energy 35-CERT filed April 16, 2002, File No. 070-09535)
- 4.1.1 Fifth Supplemental Indenture between Eversource Energy and The Bank of New York Trust Company N.A., as Trustee, dated as of May 1, 2013, relating to \$300 million of Senior Notes, Series E, due 2018 and \$400 million of Senior Notes, Series F, due 2023 (Exhibit 4.1, Eversource Energy Current Report on Form 8-K filed May 16, 2013, File No. 001-05324)
- 4.1.2 Sixth Supplemental Indenture between Eversource Energy and The Bank of New York Trust Company N.A., as Trustee, dated as of January 1, 2015, relating to \$150 million of Senior Notes, Series G, due 2018 and \$300 million of Senior Notes, Series H, due 2025 (Exhibit 4.1, Eversource Energy Current Report on Form 8-K filed January 21, 2015, File No. 001-05324)
- 4.2 Indenture dated as of January 12, 2000, between Eversource Energy, as successor to NSTAR LLC, as successor to NSTAR, and Bank One Trust Company N.A. (Exhibit 4.1 to NSTAR Registration Statement on Form S-3, File No. 333-94735)
- 4.2.1 Form of 4.50% Debenture Due 2019 (Exhibit 99.2, NSTAR Form 8-K filed November 16, 2009, File No. 001-14768)

(B) The Connecticut Light and Power Company

- 4.1 Indenture of Mortgage and Deed of Trust between CL&P and Bankers Trust Company, Trustee, dated as of May 1, 1921 (Composite including all twenty-four amendments to May 1, 1967) (Exhibit 4.1.1, 1989 Eversource Energy Form 10-K, File No. 001-05324)
- 4.1.1 Series D Supplemental Indentures to the Composite May 1, 1921 Indenture of Mortgage and Deed of Trust between CL&P and Bankers Trust Company, dated as of October 1, 1994 (Exhibit 4.2.16, 1994 CL&P Form 10-K filed March 27, 1995, File No. 001-11419)
- 4.1.2 Series B Supplemental Indenture between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of September 1, 2004 (Exhibit 99.5, CL&P Current Report on Form 8-K filed September 22, 2004, File No. 000-00404)
- 4.2 Composite Indenture of Mortgage and Deed of Trust between CL&P and Deutsche Bank Trust Company Americas f/k/a Bankers Trust Company, dated as of May 1, 1921, as amended and supplemented by seventy-three supplemental mortgages to and including Supplemental Mortgage dated as of April 1, 2005 (Exhibit 99.5, CL&P Current Report on Form 8-K filed April 13, 2005, File No. 000-00404)
- 4.2.1 Supplemental Indenture (2005 Series B Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of April 1, 2005 (Exhibit 99.2, CL&P Current Report on Form 8-K filed April 13, 2005, File No. 000-00404)
- 4.2.2 Supplemental Indenture (2006 Series A Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of June 1, 2006 (Exhibit 99.2, CL&P Current Report on Form 8-K filed June 7, 2006, File No. 000-00404)
- 4.2.3 Supplemental Indenture (2007 Series A Bonds and 2007 Series B Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of March 1, 2007 (Exhibit 99.2, CL&P Current Report on Form 8-K filed March 29, 2007, File No. 000-00404)
- 4.2.4 Supplemental Indenture (2007 Series C Bonds and 2007 Series D Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of September 1, 2007 (Exhibit 4, CL&P Current Report on Form 8-K filed September 19, 2007, File No. 000-00404)
- 4.2.5 Supplemental Indenture (2008 Series A Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of May 1, 2008 (Exhibit 4, CL&P Current Report on Form 8-K filed May 29, 2008, File No. 000-00404)
- 4.2.6 Supplemental Indenture (2009 Series A Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of February 1, 2009 (Exhibit 4, CL&P Current Report on Form 8-K filed February 19, 2009, File No. 000-00404)
- 4.2.7 Supplemental Indenture (2013 Series A Bond) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of January 1, 2013 (Exhibit 4.1, CL&P Current Report on Form 8-K filed January 22, 2013, File No. 000-00404)

- 4.2.8 Supplemental Indenture (2014 Series A Bond) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of April 1, 2014 (Exhibit 4.1, CL&P Current Report on Form 8-K filed April 29, 2014, File No. 000-00404)
- 4.2.9 Supplemental Indenture (2015 Series A Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of May 1, 2015 (Exhibit 4.1, CL&P Current Report on Form 8-K filed May 26, 2015, File No. 000-00404)
- 4.2.10 Supplemental Indenture (2015 Series A Bonds) between CL&P and Deutsche Bank Trust Company Americas, as Trustee dated as of November 1, 2015 (Exhibit 4.1, CL&P Current Report on Form 8-K filed December 4, 2015, File No. 000-00404)
- 4.3 Loan Agreement between Connecticut Development Authority and CL&P (Pollution Control Revenue Refunding Bonds – 2011A Series) dated as of October 1, 2011 (Exhibit 1.1, CL&P Current Report on Form 8-K filed October 28, 2011, File No. 000-00404)

(C) NSTAR Electric Company

- 4.1 Indenture between Boston Edison Company and the Bank of New York (as successor to Bank of Montreal Trust Company) (Exhibit 4.1, NSTAR Electric Form 10-Q for the Quarter Ended September 30, 1988, File No. 001-02301)
 - 4.1.1 A Form of 5.75% Debenture Due March 15, 2036 (Exhibit 99.2, Boston Edison Company Current Report on Form 8-K filed March 17, 2006, File No. 001-02301)
 - 4.1.2 A Form of 5.625% Debenture Due November 15, 2017 (Exhibit 99.2, NSTAR Electric Company Current Report on Form 8-K filed November 20, 2007 and filed February 17, 2009, File No. 001-02301)
 - 4.1.3 A Form of 5.50% Debenture Due March 15, 2040 (Exhibit 99.2, NSTAR Electric Company Current Report on Form 8-K filed March 15, 2010, File No. 001-02301)
 - 4.1.4 A Form of 2.375% Debenture Due 2022 (Exhibit 4, NSTAR Electric Company Current Report on Form 8-K filed October 18, 2012, File No. 001-02301)
 - 4.1.5 A Form of Floating Rate Debenture Due 2016 (Exhibit 4, NSTAR Electric Company Current Report on Form 8-K filed May 22, 2013, File No. 001-02301)
 - 4.1.6 A Form of 4.40% Debenture Due 2044 (Exhibit 4, NSTAR Electric Company Current Report on Form 8-K filed March 13, 2014, File No. 001-02301)
 - 4.1.7 A Form of 3.25% Debenture due 2025 (Exhibit 4, NSTAR Electric Company Current Report on Form 8-K filed on November 20, 2015 (Exhibit 4, File No. 001-02301)
- *4.2 Amended and Restated Credit Agreement, dated October 26, 2015, by and between NSTAR Electric and the Banks named therein, pursuant to which Barclays Bank PLC serves as Administrative Agent and Swing Line Lender

(D) Public Service Company of New Hampshire

- 4.1 First Mortgage Indenture between PSNH and First Fidelity Bank, National Association, New Jersey, now First Union National Bank, Trustee, dated as of August 15, 1978 (Composite including all amendments effective June 1, 2011) (included as Exhibit C to the Eighteenth Supplemental Indenture filed as Exhibit 4.1 to PSNH Current Report on Form 8-K filed June 2, 2011, File No. 001-06392)
 - 4.1.1 Fourteenth Supplemental Indenture between PSNH and Wachovia Bank, National Association successor to First Union National Bank, as successor to First Fidelity Bank, National Association, as Trustee dated as of October 1, 2005 (Exhibit 99.2, PSNH Current Report on Form 8-K filed October 6, 2005, File No. 001-06392)
 - 4.1.2 Fifteenth Supplemental Indenture between PSNH and Wachovia Bank, National Association successor to First Union National Bank, as successor to First Fidelity Bank, National Association, as Trustee dated as of September 1, 2007 (Exhibit 4.1, PSNH Current Report on Form 8-K filed September 25, 2007, File No. 001-06392)
 - 4.1.3 Sixteenth Supplemental Indenture between PSNH and U.S. Bank National Association, Trustee, dated as of May 1, 2008 (Exhibit 4.1 to PSNH Current Report on Form 8-K filed May 29, 2008 (File No.001-06392)
 - 4.1.4 Seventeenth Supplemental Indenture, between PSNH and U.S. Bank National Association, as Trustee dated as of December 1, 2009 (Exhibit 4.1, PSNH Current Report on Form 8-K filed December 15, 2009 (File No. 001-06392)
 - 4.1.5 Eighteenth Supplemental Indenture, between PSNH and U.S. Bank National Association, as Trustee dated as of May 1, 2011 (Exhibit 4.1, PSNH Current Report on Form 8-K filed June 2, 2011 (File No. 001-06392)

- 4.1.6 Nineteenth Supplemental Indenture, between PSNH and U.S. Bank National Association, as Trustee dated as of September 1, 2011 (Exhibit 4.1, PSNH Current Report on Form 8-K filed September 16, 2011 (File No. 001-06392)
 - 4.1.7 Twentieth Supplemental Indenture, between PSNH and U.S. Bank National Association, as Trustee dated as of November 1, 2013 (Exhibit 4.1, PSNH Current Report on Form 8-K filed November 20, 2013 (File No. 001-06392)
 - 4.1.8 Twenty-first Supplemental Indenture, between PSNH and U.S. Bank National Association, as Trustee dated as of October 1, 2014 (Exhibit 4.1, PSNH Current Report on Form 8-K filed October 17, 2014 (File No. 001-06392)
 - 4.2 Series A Loan and Trust Agreement among Business Finance Authority of the State of New Hampshire and PSNH and State Street Bank and Trust Company, as Trustee (Tax Exempt Pollution Control Bonds) dated as of October 1, 2001 (Exhibit 4.3.4, 2001 Eversource Energy Form 10-K filed March 22, 2002, File No. 001-05324)
- (E) Western Massachusetts Electric Company
- 4.1 Indenture between WMECO and The Bank of New York, as Trustee, dated as of September 1, 2003 (Exhibit 99.2, WMECO Current Report on Form 8-K filed October 8, 2003, File No. 000-07624)
 - 4.1.1 Second Supplemental Indenture between WMECO and The Bank of New York, as Trustee dated as of September 1, 2004 (Exhibit 4.1, WMECO Current Report on Form 8-K filed September 27, 2004, File No. 000-07624)
 - 4.1.2 Fourth Supplemental Indenture between WMECO and The Bank of New York Trust, as Trustee, dated as of August 1, 2007 (Exhibit 4.1, WMECO Current Report on Form 8-K filed August 20, 2007, File No. 000-07624)
 - 4.1.3 Fifth Supplemental Indenture between WMECO and The Bank of New York Trust Company, N.A., as Trustee, dated as of March 1, 2010 (Exhibit 4.1, WMECO Current Report on Form 8-K filed March 10, 2010, File No. 000-07624)
 - 4.1.4 Sixth Supplemental Indenture between WMECO and The Bank of New York Trust Company, N.A., as Trustee, dated as of September 15, 2011 (Exhibit 4.1, WMECO Current Report on Form 8-K filed September 19, 2011, File No. 000-07624)
 - 4.1.5 Seventh Supplemental Indenture between WMECO and The Bank of New York Trust Company, N.A., as Trustee, dated as of November 1, 2013 (Exhibit 4.1, WMECO Current Report on Form 8-K filed November 21, 2013, File No. 000-07624)
- (F) Eversource Energy, The Connecticut Light and Power Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company
- *4.1 Amended and Restated Credit Agreement, dated October 26, 2015, by and among Eversource Energy, CL&P, NSTAR Gas, PSNH, WMECO, and Yankee Gas Services Company and the Banks named therein, pursuant to which Bank of America, N.A. serves as Administrative Agent
10. Material Contracts
- (A) Eversource Energy
- 10.1 Lease between The Rocky River Realty Company and Eversource Energy Service Company dated as of April 14, 1992 with respect to the Berlin, Connecticut headquarters (Exhibit 10.29.1, 1992 Eversource Energy Form 10-K, File No. 001-05324)
 - 10.2 Amended and Restated Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and the Bank of New York Mellon Trust company, N.A. formerly Connecticut National Bank, as Trustee, dated July 1, 1989, (Composite including all amendments effective January 1, 2014) (included as Exhibit B to the Eleventh Supplemental Indenture filed as Exhibit 10, Eversource Energy Form 10-Q for the Quarter Ended March 31, 2014 filed May 2, 2014, File No. 001-05324)
 - 10.2.1 First Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Connecticut National Bank, as Trustee, dated April 1, 1992 (Yankee Energy System, Inc. Registration Statement on Form S-3, dated October 2, 1992, File No. 33-52750)
 - 10.2.2 Seventh Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Bank of New York, as Successor Trustee to Fleet Bank (formerly The Connecticut National Bank) dated November 1, 2004 (Exhibit 10.5.7, 2004 Eversource Energy Form 10-K filed March 17, 2005, File No. 001-05324)
 - 10.2.3 Eighth Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Bank of New York, as Successor Trustee to Fleet Bank (formerly the Connecticut National Bank) dated July 1, 2005 (Exhibit 10.5.8, Eversource Energy Form 10-Q for the Quarter Ended June 30, 2005 filed August 8, 2005, File No. 001-05324)

- 10.2.4 Ninth Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Bank of New York Mellon Trust Company, N.A., successor as Trustee to The Bank of New York, as successor to Fleet National Bank (formerly known as The Connecticut National Bank) dated as of October 1, 2008 (Exhibit 10-1, Eversource Energy Form 10-Q for the Quarter Ended September 30, 2008 filed November 10, 2008, File No. 001-05324)
- 10.2.5 Tenth Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Bank of New York Mellon Trust Company, N.A., successor as Trustee to The Bank of New York, as successor to Fleet National Bank (formerly known as The Connecticut National Bank), dated as of April 1, 2010 (Exhibit 10, Eversource Energy Form 10-Q for the Quarter Ended March 31, 2010 filed May 7, 2010, File No. 001-05324)
- 10.2.6 Eleventh Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Bank of New York Mellon Trust Company, N.A., successor as Trustee to The Bank of New York, as successor to Fleet National Bank (formerly known as The Connecticut National Bank), dated as of January 1, 2014 (Exhibit 10, Eversource Energy Form 10-Q for the Quarter Ended March 31, 2014 filed May 2, 2014, File No. 001-05324)
- 10.2.7 Twelfth Supplemental Indenture of Mortgage and Deed of Trust between Yankee Gas Services Company and The Bank of New York Mellon Trust Company, N.A., successor as Trustee to The Bank of New York, as successor to Fleet National Bank (formerly known as The Connecticut National Bank), dated as of September 1, 2015 (Exhibit 10, Eversource Energy Form 10-Q for the Quarter Ended September 30, 2015 filed November 6, 2015, File No. 001-05324)
- *+10.3 Eversource Energy Board of Trustees' Compensation Arrangement Summary
- 10.4 Composite Transmission Service Agreement, by and between Northern Pass Transmission LLC, as Owner and H.Q. Hydro Renewable Energy, Inc., as Purchaser dated October 4, 2010 and effective February 14, 2014 (Exhibit 10.5, 1992 Eversource Energy Form 10-K, File No. 001-05324)
- *+10.5 Eversource Supplemental Executive Retirement Program effective as of January 1, 2015
- *+10.6 Eversource Energy Deferred Compensation Plan for Executives effective as of January 1, 2014
- (B) Eversource Energy, The Connecticut Light and Power Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company
 - 10.1 Amended and Restated Form of Service Contract between each of Eversource Energy, CL&P and WMECO and Eversource Energy Service Company dated as of January 1, 2014. (Exhibit 10.1, Eversource Energy Form 10-K filed on February 25, 2014, File No. 001-05324)
 - 10.2 Agreements among New England Utilities with respect to the Hydro-Quebec interconnection projects (Exhibits 10(u) and 10(v); 10(w), 10(x), and 10(y), 1990 and 1988, respectively, Form 10-K of New England Electric System, File No. 001-03446)
 - 10.3 Transmission Operating Agreement between the Initial Participating Transmission Owners, Additional Participating Transmission Owners and ISO New England, Inc. dated as of February 1, 2005 (Exhibit 10.29, 2004 Eversource Energy Form 10-K filed March 17, 2005, File No. 001-05324)
 - 10.3.1 Rate Design and Funds Disbursement Agreement among the Initial Participating Transmission Owners, Additional Participating Transmission Owners and ISO New England, Inc., effective June 30, 2006 (Exhibit 10.22.1, 2006 Eversource Energy Form 10-K filed March 1, 2007, File No. 001-05324)
 - 10.4 Eversource Energy Service Company Transmission and Ancillary Service Wholesale Revenue Allocation Methodology among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Public Service Company of New Hampshire, Holyoke Water Power Company and Holyoke Power and Electric Company Trustee dated as of January 1, 2008 (Exhibit 10.1, Eversource Energy Form 10-Q for the Quarter Ended March 31, 2008 filed May 9, 2008, File No. 001-05324)
 - +10.5 Amended and Restated Employment Agreement with Gregory B. Butler, effective January 1, 2009 (Exhibit 10.7, 2008 Eversource Energy Form 10-K filed February 27, 2009, File No. 001-05324)
 - +10.6 Amended and Restated Employment Agreement with David R. McHale, effective January 1, 2009 (Exhibit 10.8, 2008 Eversource Energy Form 10-K filed February 27, 2009, File No. 001-05324)
 - +10.7 Amended and Restated Memorandum Agreement between Eversource Energy and Leon J. Olivier effective January 1, 2009 (Exhibit 10.9, 2008 Eversource Energy Form 10-K filed February 27, 2009, File No. 001-05324)
 - +10.8 Amended and Restated Incentive Plan Effective January 1, 2009 (Exhibit 10.3, Eversource Energy Form 10-Q for the Quarter Ended September 30, 2008 filed November 10, 2008, File No. 001-05324)

- +10.9 Trust under Supplemental Executive Retirement Plan dated May 2, 1994 (Exhibit 10.55, 2002 Eversource Energy Form 10-K filed March 21, 2003, File No. 001-05324)
 - +10.9.1 First Amendment to Trust Under Supplemental Executive Retirement Plan, effective as of December 10, 2002 (Exhibit 10 (B) 10.19.1, 2003 Eversource Energy Form 10-K filed March 12, 2004, File No. 001-05324)
 - +10.9.2 Second Amendment to Trust Under Supplemental Executive Retirement Plan, effective as of November 12, 2008 (Exhibit 10.12.2, 2008 Eversource Energy Form 10-K filed February 27, 2009, File No. 001-05324)
- +10.10 Special Severance Program for Officers of Eversource Energy Companies as of January 1, 2009 (Exhibit 10.2 Eversource Energy Form 10-Q for Quarter Ended September 30, 2008 filed November 10, 2008, File No. 001-05324)
- 10.11 Eversource Energy's Third Amended and Restated Tax Allocation Agreement dated as of April 10, 2012, (Exhibit 10.1 Eversource Energy Form 10-Q for Quarter Ended June 30, 2012 filed August 7, 2012, File No. 001-05324)
- (C) Eversource Energy and The Connecticut Light and Power Company
 - 10.1 CL&P Agreement Re: Connecticut NEEWS Projects by and between CL&P and The United Illuminating Company dated July 14, 2010 (Exhibit 10, CL&P Form 10-Q for the Quarter Ended June 30, 2010 filed August 6, 2010, File No. 000-00404)
- (D) Eversource Energy and NSTAR Electric Company
 - 10.1 NSTAR Electric Company Restructuring Settlement Agreement dated July 1997, (Exhibit 10.12, Boston Edison 1997 Form 10-K filed March 30, 1998, File No. 001-02301)
 - 10.2 Amended and Restated Power Purchase Agreement (NEA A PPA), dated August 19, 2004, by and between Boston Edison and Northeast Energy Associates L.P. (Exhibit 10.18, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.3 Amended and Restated Power Purchase Agreement (NEA B PPA), dated August 19, 2004, by and between ComElectric and Northeast Energy Associates L. P. (Exhibit 10.19, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.4 Amended and Restated Power Purchase Agreement (CECO 1 PPA), dated August 19, 2004 by and between ComElectric and Northeast Energy Associates L. P. (Exhibit 10.20, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.5 Amended and Restated Power Purchase Agreement (CECO 2 PPA), dated August 19, 2004 by and between ComElectric and Northeast Energy Associates L. P. (Exhibit 10.21, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.6 The Bellingham Execution Agreement, dated August 19, 2004 between Boston Edison, ComElectric and Northeast Energy Associates L. P. (Exhibit 10.22, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.7 Second Restated NEPOOL Agreement among NSTAR Electric and various other electric utilities operating in New England, dated August 16, 2004 (Exhibit 10.2.1.1, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.8 Transmission Operating Agreement among NSTAR Electric and various electric transmission providers in New England and ISO New England Inc., dated February 1, 2005 (Exhibit 10.2.1.2, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.9 Market Participants Service Agreement among NSTAR Electric and various other electric utilities operating in New England, NEPOOL and ISO New England Inc., dated February 1, 2005 (Exhibit 10.2.1.3, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.10 Rate Design and Funds Disbursement Agreement among NSTAR Electric and various other electric transmission providers in New England, dated February 1, 2005 (Exhibit 10.2.1.4, 2005 NSTAR Form 10-K filed February 21, 2006, File No. 001-14768)
 - 10.11 Participants Agreement among NSTAR Electric, various electric utilities operating in New England, NEPOOL and ISO-New England, Inc., dated February 1, 2005 (Exhibit 10.2.1.4, 2006 NSTAR Form 10-K filed February 16, 2007, File No. 001-14768)
 - +10.12 NSTAR Excess Benefit Plan, effective August 25, 1999 (Exhibit 10.1 1999 NSTAR Form 10-K/A filed September 29, 2000, File No. 001-14768)
 - +10.12.1 NSTAR Excess Benefit Plan, incorporating the NSTAR 409A Excess Benefit Plan, as amended and restated effective January 1, 2008, dated December 24, 2008 (Exhibit 10.1.1 2008 NSTAR Form 10-K filed February 9, 2009, File No. 001-14768)
 - +10.13 Special Supplemental Executive Retirement Agreement between Boston Edison Company and Thomas J. May dated March 13, 1999, regarding Key Executive Benefit Plan and Supplemental Executive Retirement Plan (Exhibit 10.3, 1999 NSTAR Form 10-K/A filed September 9, 2000, File No. 001-14768)

- +10.14 Amended and Restated Change in Control Agreement by and between NSTAR and Thomas J. May dated November 15, 2007 (Exhibit 10.5, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
- +10.15 NSTAR 2007 Long Term Incentive Plan, effective May 3, 2007 (Exhibit 10.2, Eversource Energy Registration Statement on Form S-8 filed on May 8, 2012)
 - +10.15.1 Deferred Common Share/Dividend Equivalent Award, Stock Option Grant, Option Certificate and Performance Share Award/Dividend Equivalent Award Agreement Under the NSTAR 2007 Long Term Incentive Plan, by and between NSTAR and Thomas J. May, dated January 24, 2008 (Exhibit 10.8.1, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
 - +10.15.2 Deferred Common Share/Dividend Equivalent Award, Stock Option Grant, Option Certificate and Performance Share Award/Dividend Equivalent Award Agreement Under the NSTAR 2007 Long Term Incentive Plan, by and between NSTAR and James J. Judge, dated January 24, 2008 (Exhibit 10.8.2, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
 - +10.15.3 Deferred Common Share/Dividend Equivalent Award, Stock Option Grant, Option Certificate and Performance Share Award/Dividend Equivalent Award Agreement Under the NSTAR 2007 Long Term Incentive Plan by and between NSTAR and NSTAR's other Senior Vice Presidents and Vice Presidents, dated January 24, 2008 (in form) (Exhibit 10.8.6, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
- +10.16 Amended and Restated Change in Control Agreement by and between James J. Judge and NSTAR, dated November 15, 2007 (Exhibit 10.9, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
- +10.17 Master Trust Agreement between NSTAR and State Street Bank and Trust Company (Rabbi Trust), effective August 25, 1999 (Exhibit 10.5, NSTAR Form 10-Q for the Quarter Ended September 30, 2000 filed November 14, 2000, File No. 001-14768)
- +10.18 Amended and Restated Change in Control Agreement by and between NSTAR's other Senior Vice Presidents and NSTAR (in form), dated November 15, 2007 (Exhibit 10.15, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
- +10.19 Amended and Restated Change in Control Agreement between NSTAR's Vice Presidents and NSTAR (in form), dated November 15, 2007 (Exhibit 10.16, 2007 NSTAR Form 10-K filed February 11, 2008, File No. 001-14768)
- +10.20 Currently effective Change in Control Agreement between NSTAR's Vice Presidents and NSTAR (in form) (Exhibit 10.17, 2009 NSTAR Form 10-K filed February 25, 2010, File No. 001-14768)
- 10.21 MDTE Order approving Rate Settlement Agreement dated December 31, 2005 (Exhibit 99.2, NSTAR Current Report on Form 8-K filed January 4, 2006, File No. 001-14768)

(E) Eversource Energy and Public Service Company of New Hampshire

- 10.1 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement, dated as of June 10, 2015, by and among Eversource, PSH, the Office of Energy and Planning, Designated Advocate Staff of the New Hampshire Public Utilities Commission, the Office of Consumer Advocate, New Hampshire District 3 Senator Jeb Bradley, New Hampshire District 15 Senator Dan Feltes, the City of Berlin, New Hampshire (subject to ratification by the Berlin City Council), Local No. 1837 of the International Brotherhood of Electrical Workers, the Conservation Law Foundation, the Retail Energy Supply Association, TransCanada Power Marketing Ltd., TransCanada Hydro Northeast Inc., New England Power Generators Association, Inc., and the New Hampshire Sustainable Energy Association d/b/a NH CleanTech Council. (Exhibit 99.1, PSNH Current Report on Form 8-K filed June 11, 2015, File No. 001-06392)
- *10.1.1 Amendment to the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement dated January 26, 2016

(F) Eversource Energy and Western Massachusetts Electric Company

- 10.1 Lease and Agreement by and between WMECO and Bank of New England, N.A., with BNE Realty Leasing Corporation of North Carolina dated as of December 15, 1988 (Exhibit 10.63, 1988 Eversource Energy Form 10-K, File No. 001-05324)

- (A) Eversource Energy
- (B) The Connecticut Light and Power Company
- (C) NSTAR Electric Company
- (D) Public Service Company of New Hampshire
- (E) Western Massachusetts Electric Company
- *21. Subsidiaries of the Registrant
- *23. Consents of Independent Registered Public Accounting Firm
- *31. Rule 13a – 14(a)/15 d – 14(a) Certifications
 - (A) Eversource Energy
 - 31 Certification of Thomas J. May, Chairman, President and Chief Executive Officer of Eversource Energy required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - 31.1 Certification of James J. Judge, Executive Vice President and Chief Financial Officer of Eversource Energy required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - (B) The Connecticut Light and Power Company
 - 31 Certification of Thomas J. May, Chairman of CL&P required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - 31.1 Certification of James J. Judge, Executive Vice President and Chief Financial Officer of CL&P required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - (C) NSTAR Electric Company
 - 31 Certification of Thomas J. May, Chairman of NSTAR Electric Company, required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - 31.1 Certification of James J. Judge, Executive Vice President and Chief Financial Officer of NSTAR Electric Company, required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - (D) Public Service Company of New Hampshire
 - 31 Certification of Thomas J. May, Chairman of PSNH required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - 31.1 Certification of James J. Judge, Executive Vice President and Chief Financial Officer of PSNH required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - (E) Western Massachusetts Electric Company
 - 31 Certification of Thomas J. May, Chairman of WMECO required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
 - 31.1 Certification of James J. Judge, Executive Vice President and Chief Financial Officer of WMECO required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016

- (A) Eversource Energy
- 32 Certification of Thomas J. May, Chairman, President and Chief Executive Officer of Eversource Energy and James J. Judge, Executive Vice President and Chief Financial Officer of Eversource Energy, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
- (B) The Connecticut Light and Power Company
- 32 Certification of Thomas J. May, Chairman of The Connecticut Light and Power Company and James J. Judge, Executive Vice President and Chief Financial Officer of The Connecticut Light and Power Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
- (C) NSTAR Electric Company
- 32 Certification of Thomas J. May, Chairman of NSTAR Electric Company and James J. Judge, Executive Vice President and Chief Financial Officer of NSTAR Electric Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
- (D) Public Service Company of New Hampshire
- 32 Certification of Thomas J. May, Chairman of Public Service Company of New Hampshire and James J. Judge, Executive Vice President and Chief Financial Officer of Public Service Company of New Hampshire, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
- (E) Western Massachusetts Electric Company
- 32 Certification of Thomas J. May, Chairman of Western Massachusetts Electric Company and James J. Judge, Executive Vice President and Chief Financial Officer of Western Massachusetts Electric Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 26, 2016
- *101.INS XBRL Instance Document
- *101.SCH XBRL Taxonomy Extension Schema
- *101.CAL XBRL Taxonomy Extension Calculation
- *101.DEF XBRL Taxonomy Extension Definition
- *101.LAB XBRL Taxonomy Extension Labels
- *101.PRE XBRL Taxonomy Extension Presentation

Published CUSIP Numbers: 30040TAA3 (Facility)
30040TAB1 (Revolver)

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of October 26, 2015

among

EVERSOURCE ENERGY
AND, DOING BUSINESS AS EVERSOURCE ENERGY,
NSTAR GAS COMPANY,
THE CONNECTICUT LIGHT AND POWER COMPANY,
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
WESTERN MASSACHUSETTS ELECTRIC COMPANY
and
YANKEE GAS SERVICES COMPANY,
as the Borrowers,

BANK OF AMERICA, N.A.,
as Administrative Agent and Swing Line Lender,

and

THE OTHER LENDERS PARTY HERETO

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
BARCLAYS BANK PLC,
CITIGROUP GLOBAL MARKETS INC.,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
WELLS FARGO SECURITIES, LLC,
MIZUHO BANK, LTD.,
TD SECURITIES (USA) LLC
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Bookrunners

BARCLAYS BANK PLC,
as Syndication Agent

CITIBANK, N.A.,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
MIZUHO BANK, LTD.,
TD BANK, N.A.
and
U.S. BANK NATIONAL ASSOCIATION,
as Co-Documentation Agents

TABLE OF CONTENTS

| | | |
|--------------|--------------------------------------------------------------|----|
| ARTICLE I. | DEFINITIONS AND ACCOUNTING TERMS | 1 |
| 1.01 | Defined Terms. | 1 |
| 1.02 | Other Interpretive Provisions. | 20 |
| 1.03 | Accounting Terms. | 20 |
| 1.04 | Rounding. | 21 |
| 1.05 | Times of Day. | 21 |
| 1.06 | Rates. | 21 |
| ARTICLE II. | THE COMMITMENTS AND BORROWINGS | 21 |
| 2.01 | Revolving Commitments, Revolving Loans | 21 |
| 2.02 | Borrowings, Conversions and Continuations of Loans. | 22 |
| 2.03 | [Reserved]. | 23 |
| 2.04 | Swing Line Loans. | 23 |
| 2.05 | Prepayments. | 25 |
| 2.06 | Termination or Reduction of Aggregate Revolving Commitments. | 26 |
| 2.07 | Repayment of Loans. | 27 |
| 2.08 | Interest. | 27 |
| 2.09 | Fees. | 28 |
| 2.10 | Computation of Interest and Fees. | 28 |
| 2.11 | Evidence of Debt. | 28 |
| 2.12 | Payments Generally; Administrative Agent's Clawback. | 29 |
| 2.13 | Sharing of Payments by Lenders. | 31 |
| 2.14 | Cash Collateral. | 31 |
| 2.15 | Defaulting Lenders. | 32 |
| 2.16 | Additional Revolving Commitments. | 34 |
| 2.17 | Extension of Revolving Loan Maturity Date. | 35 |
| ARTICLE III. | TAXES, YIELD PROTECTION AND ILLEGALITY | 36 |
| 3.01 | Taxes. | 36 |
| 3.02 | Illegality. | 41 |
| 3.03 | Inability to Determine Rates. | 41 |
| 3.04 | Increased Costs. | 42 |
| 3.05 | Compensation for Losses. | 43 |
| 3.06 | Mitigation Obligations; Replacement of Lenders. | 44 |
| 3.07 | Survival. | 44 |
| 3.08 | Withholding Taxes. | 44 |
| ARTICLE IV. | [RESERVED] | 44 |
| ARTICLE V. | CONDITIONS PRECEDENT TO BORROWINGS | 44 |
| 5.01 | Conditions of Initial Borrowings. | 44 |
| 5.02 | Conditions of all Borrowings. | 46 |
| ARTICLE VI. | REPRESENTATIONS AND WARRANTIES | 47 |
| 6.01 | Existence, Qualification and Power. | 47 |
| 6.02 | Authorization; No Contravention. | 47 |
| 6.03 | Governmental Authorization; Other Consents | 47 |
| 6.04 | Binding Effect | 48 |

| | | |
|--------------------------------------------|--------------------------------------------------------------|----|
| 6.05 | Financial Statements; No Material Adverse Effect | 48 |
| 6.06 | Litigation. | 48 |
| 6.07 | No Default. | 48 |
| 6.08 | Ownership of Property; Liens. | 49 |
| 6.09 | Environmental Compliance. | 49 |
| 6.10 | Insurance. | 49 |
| 6.11 | Taxes. | 49 |
| 6.12 | ERISA Compliance. | 49 |
| 6.13 | Subsidiaries. | 50 |
| 6.14 | Use of Proceeds; Margin Regulations; Investment Company Act. | 50 |
| 6.15 | Disclosure. | 51 |
| 6.16 | Compliance with Laws. | 51 |
| 6.17 | Solvency. | 51 |
| 6.18 | Taxpayer Numbers and Other Information. | 51 |
| 6.19 | Sanctions Concerns and Anti-Corruption Laws. | 51 |
| ARTICLE VII. AFFIRMATIVE COVENANTS | | 52 |
| 7.01 | Financial Statements. | 52 |
| 7.02 | Certificates; Other Information. | 53 |
| 7.03 | Notices. | 54 |
| 7.04 | Payment of Taxes. | 55 |
| 7.05 | Preservation of Existence, Etc. | 55 |
| 7.06 | Maintenance of Properties. | 55 |
| 7.07 | Maintenance of Insurance. | 55 |
| 7.08 | Compliance with Laws. | 56 |
| 7.09 | Books and Records. | 56 |
| 7.10 | Inspection Rights. | 56 |
| 7.11 | Use of Proceeds. | 56 |
| 7.12 | Further Assurances. | 56 |
| 7.13 | Conduct of Business. | 57 |
| 7.14 | Governmental Approvals. | 57 |
| 7.15 | Anti-Corruption Laws. | 57 |
| ARTICLE VIII. NEGATIVE COVENANTS | | 57 |
| 8.01 | Liens. | 57 |
| 8.02 | Fundamental Changes. | 59 |
| 8.03 | Change in Nature of Business. | 60 |
| 8.04 | Transactions with Affiliates and Insiders. | 60 |
| 8.05 | Use of Proceeds. | 60 |
| 8.06 | Consolidated Indebtedness to Capitalization Ratio. | 60 |
| 8.07 | Compliance with ERISA. | 60 |
| 8.08 | Interests in Nuclear Plants. | 61 |
| 8.09 | Financing Agreements. | 61 |
| 8.10 | Sanctions. | 61 |
| 8.11 | Anti-Corruption Laws. | 61 |
| ARTICLE IX. EVENTS OF DEFAULT AND REMEDIES | | 61 |
| 9.01 | Events of Default. | 61 |
| 9.02 | Remedies Upon Event of Default. | 63 |
| 9.03 | Application of Funds. | 64 |

| | |
|---------------------------------------------------------------|----|
| ARTICLE X. ADMINISTRATIVE AGENT | 64 |
| 10.01 Appointment and Authority. | 64 |
| 10.02 Rights as a Lender. | 65 |
| 10.03 Exculpatory Provisions. | 65 |
| 10.04 Reliance by Administrative Agent. | 66 |
| 10.05 Delegation of Duties. | 66 |
| 10.06 Resignation of Administrative Agent. | 66 |
| 10.07 Non-Reliance on Administrative Agent and Other Lenders. | 67 |
| 10.08 No Other Duties; Etc. | 67 |
| 10.09 Administrative Agent May File Proofs of Claim. | 68 |
| ARTICLE XI. MISCELLANEOUS | 68 |
| 11.01 Amendments, Etc. | 68 |
| 11.02 Notices and Other Communications; Facsimile Copies. | 70 |
| 11.03 No Waiver; Cumulative Remedies; Enforcement. | 72 |
| 11.04 Expenses; Indemnity; and Damage Waiver. | 72 |
| 11.05 Payments Set Aside. | 74 |
| 11.06 Successors and Assigns. | 74 |
| 11.07 Treatment of Certain Information; Confidentiality. | 78 |
| 11.08 Set-off. | 79 |
| 11.09 Interest Rate Limitation. | 79 |
| 11.10 Counterparts; Integration; Effectiveness. | 80 |
| 11.11 Survival of Representations and Warranties. | 80 |
| 11.12 Severability. | 80 |
| 11.13 Replacement of Lenders. | 80 |
| 11.14 Governing Law; Jurisdiction; Etc. | 81 |
| 11.15 Waiver of Right to Trial by Jury. | 82 |
| 11.16 Electronic Execution. | 83 |
| 11.17 USA PATRIOT Act. | 83 |
| 11.18 No Advisory or Fiduciary Relationship. | 83 |
| 11.19 Pro Rata Shares of Obligations of Borrowers | 84 |
| 11.20 Limitation of Liability | 84 |
| 11.21 New Lenders. | 84 |
| 11.22 Amendment and Restatement. | 84 |

SCHEDULES

- 2.01 Revolving Commitments and Applicable Percentages
- 6.11 Tax Sharing Agreements
- 6.13 Subsidiaries
- 6.18 Taxpayer and Organizational Identification Numbers; Legal Name; State of Formation; Principal Place of Business
- 8.01 Liens Existing on the Effective Date
- 11.02 Certain Addresses for Notices

EXHIBITS

- 2.02(a) Form of Revolving Loan Notice
- 2.04(b) Form of Swing Line Loan Notice
- 2.05 Form of Prepayment Notice
- 2.11(a)-1 Form of Revolving Note
- 2.11(a)-2 Form of Swing Line Note
- 3.01(e)-1-4 Forms of U.S. Tax Compliance Certificates
- 7.02(a) Form of Compliance Certificate
- 11.06(b) Form of Assignment and Assumption

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of October 26, 2015 among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts (“Eversource”), NSTAR Gas Company, a Massachusetts corporation (“NSTAR Gas”), The Connecticut Light and Power Company, a Connecticut corporation (“CL&P”), Public Service Company of New Hampshire, a New Hampshire corporation (“PSNH”), Western Massachusetts Electric Company, a Massachusetts corporation (“WMECO”), and Yankee Gas Services Company, a Connecticut corporation (“Yankee Gas”), the Lenders (defined herein) and BANK OF AMERICA, N.A., as Administrative Agent and Swing Line Lender. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the “Borrowers” and each individually a “Borrower”.

The Borrowers have requested that the Lenders provide \$1,450,000,000 in revolving credit facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

This Agreement is given in amendment to, restatement of and substitution for the Existing Credit Agreement (as hereinafter defined).

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

“Additional Arranger Fee Letter” means the letter agreement, dated as of October 26, 2015 among Eversource, NSTAR Electric Company, Citigroup Global Markets Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Wells Fargo Securities, LLC, Mizuho Bank, Ltd., TD Securities (USA) LLC and U.S. Bank National Association.

“Additional Commitment Lender” has the meaning specified in Section 2.17(d).

“Administrative Agent” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Administrative Agent may from time to time notify the Borrowers and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Lenders. The aggregate principal amount of the Aggregate Revolving Commitments in effect on the Effective Date is ONE BILLION FOUR HUNDRED FIFTY MILLION DOLLARS (\$1,450,000,000).

“Agreement” means this Amended and Restated Credit Agreement.

“Applicable Margin” means, with respect to Revolving Loans, Swing Line Loans and the Facility Fee, determined with respect to each Borrower, for any day, the following percentages per annum in effect on such day, based upon the Reference Rating of the applicable Borrower:

| Pricing Level | Reference Rating | Eurodollar Rate Loans | Base Rate Loans | Facility Fee |
|---------------|------------------|-----------------------|-----------------|--------------|
| 1 | ≥A+/A1 | 0.800% | 0.000% | 0.075% |
| 2 | A/A2 | 0.900% | 0.000% | 0.100% |
| 3 | A-/A3 | 1.000% | 0.000% | 0.125% |
| 4 | BBB+/Baa1 | 1.075% | 0.075% | 0.175% |
| 5 | BBB/Baa2 | 1.275% | 0.275% | 0.225% |
| 6 | ≤BBB-/Baa3 | 1.475% | 0.475% | 0.275% |

Any increase or decrease in the Applicable Margin resulting from a change in any Reference Rating shall take effect at the time of such change in such Reference Rating. For purposes of the foregoing, (w) if Eversource does not have a rating of its Borrower Unsecured Debt by either S&P or Moody’s, then Pricing Level 6 shall apply, (x) in the case of a split in the Reference Ratings of one level, the higher level shall apply, (y) in the case of a split in the Reference Ratings of more than one level, the Reference Rating that is one level lower than the higher level shall apply, and (z) if there is no Reference Rating then the rating Pricing Level 6 shall apply.

“Applicable Percentage” means with respect to any Lender at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time, subject to adjustment as provided in Section 2.15; provided that if the commitment of each Lender to make Revolving Loans has been terminated in its entirety pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approving Lenders” has the meaning specified in Section 2.17(e).

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit 11.06(b) or any other form approved by the Administrative Agent.

“Audited Financial Statements” means the audited consolidated balance sheet of each Borrower and its Subsidiaries for the fiscal years ended December 31, 2012, December 31, 2013 and December 31,

2014 and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of such Person, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

“Availability Period” means, with respect to the Revolving Commitments, the period from and including the Effective Date to the earliest of (a) the Revolving Loan Maturity Date and (b) the date of termination in full of the remaining unused portion of the Aggregate Revolving Commitments pursuant to Section 2.06.

“Bank of America” means Bank of America, N.A. and its successors.

“Bank of America Agency Fee Letter” means the letter agreement, dated as of October 1, 2015 among Eversource and Bank of America.

“Bank of America and Barclays Fee Letter” means the letter agreement, dated as of October 1, 2015 among Eversource, NSTAR Electric Company, Bank of America, Barclays Bank PLC and MLPFS.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus one-half of one percent (0.50%), (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate” and (c) the Eurodollar Rate plus one percent (1.00%), and if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the “prime rate” announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Borrower” and “Borrowers” have the meanings specified in the introductory paragraph hereto.

“Borrower Materials” has the meaning specified in Section 7.02.

“Borrower Secured Debt” has the meaning specified in the definition of “Reference Ratings”.

“Borrower Sublimit” means, as to any Borrower, the amount set forth opposite such Borrower's name below:

| Borrower | Borrower Sublimit |
|-----------------|--------------------------|
| Eversource | \$1,450,000,000 |
| NSTAR Gas | \$200,000,000 |
| CL&P | \$600,000,000 |
| PSNH | \$300,000,000 |
| WMECO | \$300,000,000 |
| Yankee Gas | \$200,000,000 |

Each Borrower Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

For purposes of clarity, in the event that any Borrower merges into another entity and is not the surviving Person, dissolves or otherwise ceases to have a legal existence, then the Borrower Sublimit with respect to such Borrower shall no longer exist, and the Borrower Sublimits of the remaining Borrowers shall be unaffected by the elimination of such Borrower Sublimit; provided, however, that if a Borrower merges

or is liquidated into another Borrower, the Borrower Sublimit of the surviving Borrower shall be increased by the amount of the Borrower Sublimit of the merged or liquidated Borrower on terms and subject to limitations reasonably satisfactory to the Lenders; provided, further, that in no event shall a Borrower Sublimit exceed the Aggregate Revolving Commitments.

“Borrower Unsecured Debt” has the meaning specified in the definition of “Reference Ratings”.

“Borrowing” means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04 and (b) a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located or New York and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent or Swing Line Lender (as applicable) and the Lenders, as collateral for Obligations in respect of Swing Line Loans or obligations of Lenders to fund participations in respect of Swing Line Loans, cash or deposit account balances or, if the Swing Line Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the Swing Line Lender. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Certifying Officer” has the meaning specified in Section 7.02(b).

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means the occurrence of any of the following events,

(a) with respect to Eversource:

(i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) either (A) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire (such right,

an “option right”), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than fifty percent (50%) of the Equity Interests of Eversource entitled to vote for trustees of Eversource or equivalent governing body of Eversource on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) or (B) obtains the power (whether or not exercised) to elect a majority of Eversource’s trustees; or

(ii) the board of trustees of Eversource shall not consist of a majority of Continuing Trustees. For purposes of this definition, the term “Continuing Trustees” means trustees of Eversource on the date hereof and each other trustee of Eversource, if such other trustee’s nomination for election to the board of trustees of Eversource is recommended by a majority of the then Continuing Trustees.

(b) with respect to any Borrower (other than Eversource), Eversource shall cease to own and control, of record and beneficially, free and clear of all Liens except for Liens permitted under Section 8.01, one hundred percent (100%) of the outstanding Equity Interests of such Borrower (other than Eversource) entitled to vote (currently exercisable in the case of any preferred Equity Interests) for the election of directors; or

(c) with respect to Eversource, Eversource shall cease to own and control, of record and beneficially, free and clear of all Liens except for Liens permitted under Section 8.01, at least eighty-five percent (85%) of the outstanding Equity Interests of each of CL&P, NSTAR Gas, PSNH, WMECO, Yankee Gas and NSTAR Electric entitled to vote (currently exercisable in the case of any preferred Equity Interests) for the election of directors, in each case at any time any such Subsidiary of Eversource is not a Borrower; or

(d) with respect to any Borrower, such Borrower shall cease to own and control, of record and beneficially, free and clear of all Liens except for Liens permitted under Section 8.01, eighty-five percent (85%) of the outstanding Equity Interests entitled to vote (currently exercisable in the case of any preferred Equity Interests) for the election of directors of any Principal Subsidiary.

“CL&P” has the meaning specified in the introductory paragraph hereto.

“Compliance Certificate” has the meaning specified in Section 7.02(b).

“Consolidated Capitalization” means, with respect to any Borrower at any date of determination, the sum of (a) Consolidated Indebtedness of such Borrower, (b) the aggregate of the par value of, or stated capital represented by, the outstanding shares of all classes of common and preferred shares of such Borrower and its Subsidiaries excluding, however, from such calculation, amounts identified as “Accumulated Other Comprehensive Income (Loss)” in the financial statements of the Borrowers set forth in the Borrowers’ Report on Form 10-K or 10-Q, as the case may be, most recently filed with the SEC prior to the date of such determination and (c) the consolidated surplus of such Borrower and its Subsidiaries, paid-in, earned and other capital, if any, in each case as determined on a consolidated basis in accordance with GAAP.

“Consolidated Indebtedness” means Indebtedness of any Borrower and its Subsidiaries on a consolidated basis determined in accordance with GAAP, excluding, however, from such calculation, (a) in the case of Refinancing Indebtedness, any amounts as to which any Borrower or its Subsidiaries have, (i) in accordance with the terms of the applicable agreements, and on or prior to the date of incurring such Refinancing Indebtedness, sent the holders of the Indebtedness to be refinanced, or their trustee, as

applicable, a notice of redemption and (ii) within fourteen (14) days after incurrence of such Refinancing Indebtedness, segregated with the trustee therefor or with such other financial institution as may be acceptable to the Administrative Agent, in accordance with the terms of the applicable agreements relating to such Indebtedness, sufficient funds to redeem such Indebtedness and fully discharge such Borrower's obligations with respect thereto.

"Consolidated Indebtedness to Capitalization Ratio" means, for any Borrower, as of any date of determination, the ratio of (a) Consolidated Indebtedness of such Borrower to (b) Consolidated Capitalization of such Borrower.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate equal to (a) the Base Rate plus (b) the Applicable Margin, if any, applicable to Base Rate Loans plus (c) two percent (2%) per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus two percent (2%) per annum, in each case to the fullest extent permitted by applicable Laws.

"Defaulting Lender" means any Lender, as determined by the Administrative Agent, that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Revolving Loans or participations in respect of Swing Line Loans, within three (3) Business Days of the date required to be funded by it hereunder, unless (other than in respect of fundings of participations of Swing Line Loans) such Lender notifies the Administrative Agent and the applicable Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) has notified the applicable Borrower or the Administrative Agent that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect with respect to its funding obligations hereunder (unless (other than in respect of fundings of participations of Swing Line Loans) such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied) or under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business

Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the applicable Borrower) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interests in that Lender or any direct or indirect parent company thereof by a Governmental Authority. Such Lender shall cease to be a Defaulting Lender when the provisions of Section 2.15(b) shall have been satisfied.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory is the subject of any Sanction.

“Disclosure Documents” means for the Borrowers and each Principal Subsidiary, as applicable: (a) such Person’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014; (b) its Quarterly Reports on Form 10-Q for the fiscal quarter ended June 30, 2015; and (c) such Person’s Current Reports on Form 8-K filed after December 31, 2014 but prior to the date hereof.

“Dollar” and “\$” mean lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

“DPU” means the Massachusetts Department of Public Utilities and any successor agency thereto.

“Effective Date” means the date hereof.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.06(b)(ii) and (iv) (subject to such consents, if any, as may be required under Section 11.06(b)(ii)).

“Environmental Laws” means any and all federal, state, local, foreign and other applicable statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any of the Borrowers or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase

or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with any Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Borrower or any ERISA Affiliate from a Multiemployer Plan; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Sections 4041 of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042(a)(1)-(a)(3) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA in a manner that would affect a Borrower’s ability to perform its Obligations hereunder; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower or any ERISA Affiliate in a manner that would affect a Borrower’s ability to perform its Obligations hereunder.

“Eurodollar Base Rate” means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate (“LIBOR”), or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the “LIBOR Rate”) at or about 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the LIBOR Rate, at or about 11:00 a.m., London time, two (2) Business Days prior to such date for Dollar deposits with a term of one (1) month commencing that day;

provided that: (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as

otherwise reasonably determined by the Administrative Agent and (ii) if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Eurodollar Rate” means (a) for any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Eurodollar Rate Loan for such Interest Period by (ii) one minus the Eurodollar Reserve Percentage for such Eurodollar Rate Loan as in effect from time to time during such Interest Period and (b) for any day with respect to any Base Rate Loan bearing interest at a rate based on the Eurodollar Rate, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Base Rate Loan for such day by (ii) one minus the Eurodollar Reserve Percentage for such Base Rate Loan for such day.

“Eurodollar Rate Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of “Eurodollar Rate”.

“Eurodollar Reserve Percentage” means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”). The Eurodollar Rate for each outstanding Eurodollar Rate Loan and for each outstanding Base Rate Loan the interest on which is determined by reference to the Eurodollar Rate, in each case, shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

“Event of Default” has the meaning specified in Section 9.01.

“Eversource” has the meaning specified in the introductory paragraph hereto.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) Taxes imposed on or measured by its overall income (however denominated), and franchise (and similar) Taxes imposed on it (in lieu of income Taxes), (i) by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located or (ii) as a result of a present or former connection between such recipient and the jurisdiction of the Governmental Authority imposing such Tax (other than a connection arising solely from such recipient having executed, delivered, become a party to, perform its obligations under, received a payment under, received or perfected a security interest under or engaged in any other transaction pursuant to or enforced under any Loan Document), (b) any branch profits Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction in which such Borrower is located, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by such Borrower under Section 11.13), any United States withholding Tax that is required to be imposed on amounts payable to such Foreign Lender pursuant to the Laws in force at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office or changes its place of organization), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment) or change in its place of organization, to receive additional amounts from such Borrower with respect to such withholding Tax pursuant to Section 3.01(a)(i) or (c), (d) Taxes attributable to such recipient’s failure or inability to comply with Section 3.01(e) and (e) any U.S. federal withholding taxes imposed under FATCA.

“Existing Credit Agreement” means that certain Credit Agreement dated as of July 25, 2012 among Eversource, NSTAR Gas, NSTAR LLC, CL&P, PSNH, WMECO and Yankee Gas, as borrowers, the lenders party thereto and Bank of America, N.A., as agent.

“Facility Fee” has the meaning set forth in Section 2.09(a).

“Facility Percentage” means, with respect to each Borrower at all times, the percentage equal to the quotient of (a) the Borrower Sublimit of such Borrower divided by (b) sum of all Borrower Sublimits (after giving effect to any reduction of any Borrower Sublimits as provided in Section 2.06). As of the Effective Date, the Facility Percentage of each Borrower is as set forth below:

| Borrower | Facility Percentage |
|-----------------|----------------------------|
| Eversource | 47.54097% |
| NSTAR Gas | 6.55738% |
| CL&P | 19.67213% |
| PSNH | 9.83607% |
| WMECO | 9.83607% |
| Yankee Gas | 6.55738% |
| Total | 100.00000% |

“FATCA” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any intergovernmental agreements entered into pursuant to such provisions of the Internal Revenue Code.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

“Fee Letters” means the Bank of America and Barclays Fee Letter, the Additional Arranger Fee Letter and the Bank of America Agency Fee Letter.

“FERC” means the Federal Energy Regulatory Commission or any successor agency thereto.

“Financing Agreements” has the meaning specified in Section 8.09.

“First Mortgage Indentures” means, (a) in the case of CL&P, the Indenture of Mortgage and Deed of Trust, dated as of May 1, 1921 (the “CL&P Indenture”), from CL&P to Deutsche Bank Trust Company Americas, as successor trustee, as previously and hereafter amended and supplemented from time to time, (b) in the case of Yankee Gas, the Indenture of Mortgage and Deed of Trust, dated as of July 1, 1989, between Yankee Gas and The Bank of New York Mellon, as successor trustee, as in effect on the date hereof and as amended and supplemented from time to time, (c) in the case of WMECO, NSTAR Electric and NPT (should NPT then be a Principal Subsidiary), any first mortgage indenture entered into after the date hereof, provided (i) such indenture covers substantially the same type of collateral as under the Old WMECO Indenture, (ii) such indenture is substantially similar in form and

substance to the CL&P Indenture and (iii) such indenture and the lien created thereby receive all necessary regulatory approval, (d) in the case of PSNH, the First Mortgage Indenture, dated as of August 15, 1978, between PSNH and U.S. Bank, National Association, as successor trustee, as previously and hereafter amended and supplemented from time to time, and (e) in the case of NSTAR Gas, the Indenture of Trust and First Mortgage by NSTAR Gas (formerly known as Commonwealth Gas Company, formerly known as Worcester Gas Light Company) dated February 1, 1949.

“Foreign Lender” means any Lender that is not a U.S. Person.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to the Swing Line Lender, such Defaulting Lender’s Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

“Governmental Approval” means any authorization, consent, approval, license, permit, certificate, exemption of, or filing or registration with, any governmental authority or other legal regulatory body (including, without limitation, the SEC, FERC, the Nuclear Regulatory Commission, the Connecticut Public Utility Regulatory Authority, the New Hampshire Public Utilities Commission and the DPU) required in connection with (i) the execution, delivery or performance of any Loan Document, or (ii) the nature of any Borrower’s or any Subsidiary’s business as conducted or the nature of the property owned or leased by it.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature identified as hazardous, dangerous or toxic and regulated pursuant to any Environmental Law.

“Impacted Loans” has the meaning specified in Section 3.03.

“Indebtedness” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money or for the deferred purchase price of property or services other than (i) trade accounts payable and (ii) any obligation of such Person to Dominion Resources, Inc. or its successor with respect to disposition of spent nuclear fuel burned prior to April 3, 1983, (b) all obligations of such

Person evidenced by bonds, debentures, notes or similar instruments (excluding Stranded Cost Recovery Obligations that are non-recourse to such Person), (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations under leases that shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which such Person is liable as lessee, (e) liabilities in respect of unfunded vested benefits incurred under any Multiemployer Plan that is reasonably likely to result in a direct obligation of any Borrower to pay money, (f) reimbursement obligations of such Person (whether contingent or otherwise) in respect of letters of credit, bankers acceptances, surety or other bonds and similar instruments that are not cash collateralized, (g) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, up to the greater of (x) the extent of the book value of any such asset so pledged and (y) the amount of any liability of such Person for any deficiency and (h) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to above.

“Indemnified Taxes” means (a) Taxes other than Excluded Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) Other Taxes.

“Indemnitees” has the meaning specified in Section 11.04(b).

“Information” has the meaning specified in Section 11.07.

“Interest Payment Date” means (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the Revolving Loan Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three (3) months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Revolving Loan Maturity Date.

“Interest Period” means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one (1), two (2), three (3) or six (6) months thereafter (in each case, subject to availability), as selected by the applicable Borrower in its Revolving Loan Notice, or such other period that is twelve months or less requested by the applicable Borrower and consented to by all of the applicable Lenders, provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period with respect to any Revolving Loan shall extend beyond the Revolving Loan Maturity Date.

“Interim Financial Statements” has the meaning set forth in Section 5.01(c)(ii).

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Internal Revenue Service” means the United States Internal Revenue Service.

“Joint Lead Arrangers” means, collectively, MLPFS, Barclays Bank PLC, Citigroup Global Markets Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Wells Fargo Securities, LLC, Mizuho Bank, Ltd., TD Securities (USA) LLC and U.S. Bank National Association, in their capacities as joint lead arrangers and joint bookrunners, in each case together with their respective successors and assigns.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case having the force of law.

“Lenders” means each of the Persons identified as a “Lender” on the signature pages hereto and their successors and assigns and, as the context requires, includes the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrowers and the Administrative Agent.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to any Borrower under Article II in the form of a Revolving Loan or Swing Line Loan.

“Loan Documents” means this Agreement, each Note and any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement.

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Long-Term Indebtedness Approvals” has the meaning specified in the definition of “Revolving Loan Maturity Date”.

“Material Adverse Effect” means, with respect to any Borrower, (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties or financial condition of such Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under the Loan Documents or of the ability of such Borrower to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against such Borrower of any Loan Document to which it is a party.

“MLPFS” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Non-Consenting Lender” has the meaning set forth in Section 11.13.

“Non-Extending Lender” has the meaning specified in Section 2.17(b).

“Note” or “Notes” means the Revolving Notes or the Swing Line Note, individually or collectively, as appropriate.

“Notice Date” has the meaning specified in Section 2.17(b).

“NPT” means Northern Pass Transmission LLC, a New Hampshire limited liability company.

“NSTAR Electric” means NSTAR Electric Company, as Massachusetts corporation.

“NSTAR Gas” has the meaning specified in the introductory paragraph hereto.

“Obligations” means, without duplication, all of the several but not joint obligations of the Borrowers to the Lenders and the Administrative Agent, whenever arising, under this Agreement, any Notes or any of the other Loan Documents.

“Old WMECO Indenture” means the First Mortgage Indenture and Deed of Trust dated as of August 1, 1954, from WMECO to State Street Bank and Trust Company, as successor trustee, as amended and supplemented.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document. For the avoidance of doubt, “Other Taxes” shall not include any Excluded Taxes.

“Outstanding Amount” means with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in Section 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) that is maintained or is contributed to by any Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to minimum funding standards under Section 412 of the Internal Revenue Code.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Platform” has the meaning specified in Section 7.02.

“Prepayment Notice” means a notice of prepayment pursuant to Section 2.05(a), which shall be substantially in the form of Exhibit 2.05 or such other form as may be reasonably approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“Principal Subsidiary” means (a) NSTAR Electric, NSTAR Gas, CL&P, PSNH, WMECO, and Yankee Gas, (b) each of any Subsidiary that during any fiscal quarter, with respect to any Borrower and its Subsidiaries taken as a whole, represents at least (i) ten percent (10%) of such Borrower’s consolidated assets (calculated as an average of such consolidated assets over the preceding four fiscal quarters) and (ii) ten percent (10%) of such Borrower’s consolidated net income (or loss) (calculated as a sum of such net income (or loss) over the preceding four fiscal quarters), whether such Subsidiary is owned directly or indirectly by such Borrower and (c) any Person deemed to be a “Principal Subsidiary” pursuant to Section 8.02.

“PSNH” has the meaning specified in the introductory paragraph hereto.

“Public Lender” has the meaning specified in Section 7.02.

“Recipient” means the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder.

“Reference Ratings” means, (a) with respect to Eversource, the rating(s) assigned by S&P and/or Moody’s to the long-term senior unsecured non-credit enhanced debt (the “Borrower Unsecured Debt”) of Eversource and (b) with respect to each Borrower other than Eversource, the rating(s) assigned by S&P and/or Moody’s to the Borrower Unsecured Debt of such Borrower; provided, that with respect to any Borrower other than Eversource:

(a) if neither S&P nor Moody’s maintains a rating on the Borrower Unsecured Debt of such Borrower because no such Borrower Unsecured Debt is outstanding, then the

“Reference Ratings” shall be based on the rating(s) assigned by S&P and/or Moody’s to the long-term senior secured debt (the “Borrower Secured Debt”) of such Borrower, but such rating(s) shall be deemed to correspond to a Pricing Level that is one level lower than the level that would correspond to such Borrower Secured Debt rating(s) pursuant to the definition of “Applicable Margin”;

(b) if neither S&P nor Moody’s (A) maintains a rating on the Borrower Unsecured Debt of such Borrower because no such Borrower Unsecured Debt is outstanding and (B) maintains a rating on the Borrower Secured Debt of a Borrower because no such Borrower Secured Debt is outstanding, then the “Reference Ratings” shall be based on such Borrower’s long-term corporate/issuer rating(s) as maintained by S&P and/or Moody’s.

“Refinancing Indebtedness” means Consolidated Indebtedness incurred for the purpose of refinancing existing Consolidated Indebtedness.

“Register” has the meaning specified in Section 11.06(c).

“Regulatory Assets” means, with respect to CL&P, NSTAR Gas, PSNH, WMECO or Yankee Gas, an intangible asset established by statute, regulation or regulatory order or similar action of a utility regulatory agency having jurisdiction over CL&P, NSTAR Gas, PSNH, WMECO or Yankee Gas, as the case may be, and included in the rate base of CL&P, NSTAR Gas, PSNH, WMECO or Yankee Gas, as the case may be, with the intention that such asset be amortized by rates over time.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

“Request for Borrowing” means (a) with respect to a Borrowing, conversion or continuation of Revolving Loans, a Revolving Loan Notice and (b) with respect to a Swing Line Loan, a Swing Line Loan Notice.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that the amount of any participation in any Swing Line Loan that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender in making such determination.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Borrower and, solely for purposes of the delivery of certificates pursuant to Section 5.01, the secretary or any assistant secretary of a Borrower. Any document delivered hereunder that is signed by a Responsible Officer of a Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Borrower.

“Revolving Commitment” means, as to each Lender, its obligation to (a) make Revolving Loans to any Borrower pursuant to Section 2.01 and (b) purchase participations in Swing Line Loans, in an

aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the sum of (i) the aggregate Outstanding Amount of such Lender's Revolving Loans at such time plus (ii) such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time.

"Revolving Loan" has the meaning specified in Section 2.01.

"Revolving Loan Notice" means a notice of (a) a Borrowing of Revolving Loans, (b) a conversion of Revolving Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, in each case pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit 2.02(a) or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

"Revolving Loan Maturity Date" means (a) the later of (i) September 4, 2020 and (ii) with respect to some or all of the Lenders if the Revolving Loan Maturity Date is extended pursuant to Section 2.17, such extended Revolving Loan Maturity Date or (b) such earlier date on which the Loans are due and payable pursuant to the terms of this Agreement; provided, that if any Borrower is unable to obtain all required Governmental Approvals, such approvals to be reasonably satisfactory to the Administrative Agent, for such Borrower's incurrence of indebtedness payable more than one (1) year from the incurrence thereof ("Long-Term Indebtedness Approvals") prior to the initial making of any Loan hereunder, then the Revolving Loan Maturity Date for such Borrower shall be the date that is the 364th day to occur following the date of the initial Borrowing by such Borrower hereunder (the "364-Day Maturity Date"), provided that in no event shall the 364-Day Maturity Date be later than the Revolving Loan Maturity Date set forth in clause (a) above; provided further that if such Borrower shall obtain such Long-Term Indebtedness Approvals prior to the 364-Day Maturity Date, then, at the request of such Borrower and provided that (x) no Default or Event of Default exists with respect to such Borrower and (y) the representations and warranties of such Borrower contained in Article VI (other than Sections 6.05(c) and 6.06) or in any other Loan Document shall be true and correct in all material respects on and as of the date, such 364-Day Maturity Date shall automatically extend to the extent permitted by such Governmental Approval but in no event later than the Revolving Loan Maturity Date set forth in clause (a) above.

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of McGraw-Hill Financial Inc., and any successor thereto.

"Sanctions" means any international economic sanction administered or enforced by the United States government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, including contingent obligations as they

mature , (b) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital, (c) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person and (d) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Stranded Cost Recovery Obligations" means, with respect to any Person, such Person's obligations to make principal, interest or other payments to the issuer of stranded cost recovery bonds pursuant to a loan agreement or similar arrangement whereby the issuer has loaned the proceeds of such bonds to such Person.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrowers.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement, but excluding in all instances obligations under default service and standard offer power supply agreements entered into in the ordinary course of business.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit 2.04(b) or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) appropriately completed

transmission system as shall be approved by the Administrative Agent, appropriately completed and signed by a Responsible Officer.

“Swing Line Note” has the meaning specified in Section 2.11(a).

“Swing Line Sublimit” means an amount equal to the lesser of (a) \$100,000,000 and (b) the Aggregate Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Synthetic Lease” means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Threshold Amount” means \$50,000,000.

“364-Day Maturity Date” has the meaning specified in the definition of “Revolving Loan Maturity Date”.

“Total Credit Exposure” means, as to any Lender at any time, the unused Revolving Commitments and Revolving Credit Exposure of such Lender at such time.

“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans and all Swing Line Loans.

“Type” means, with respect to any Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

“United States” and “U.S.” mean the United States of America.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(III).

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

“WMECO” has the meaning specified in the introductory paragraph hereto.

“Yankee Gas” has the meaning specified in the introductory paragraph hereto.

1.02

Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the

word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto”, “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) Generally. Except as otherwise specifically prescribed herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements; provided, however, that calculations of attributable Indebtedness under any Synthetic Lease or the implied interest component of any Synthetic Lease shall be made by the Borrowers in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrowers or the Required Lenders shall so request, the Administrative Agent, the Lenders and

20

the Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrowers shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) FASB ASC 825 and FASB ASC 470-20. Notwithstanding the above, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrowers and their Subsidiaries shall be deemed to be carried at one hundred percent (100%) of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

1.04

Rounding.

Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06

Rates.

The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

ARTICLE II

THE COMMITMENTS AND BORROWINGS

Revolving Commitments.
2.01

Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a “Revolving Loan”) to each Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (a) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (b) the Revolving Credit Exposure of any Lender shall not exceed such Lender’s Revolving Commitment and (c) the Total Revolving Outstandings of any Borrower shall not exceed such Borrower’s Borrower Sublimit. Within the limits of each Lender’s Revolving Commitment, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein, provided, however, all Borrowings made on the Effective Date shall be made as Base Rate Loans.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Administrative Agent, which may be given by (a) a Revolving Loan Notice or (b) telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans prior to the end of the applicable Interest Period, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by a Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a Revolving Loan Notice.

Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof.

Except as provided in Section 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Revolving Loan Notice and each telephonic notice shall specify (i) whether the applicable Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If a Borrower fails to specify a Type of a Loan in a Revolving Loan Notice or if a Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If a Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any Revolving Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Revolving Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the applicable Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans as described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Revolving Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Borrowing, Section 5.01), the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of such Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and acceptable to) the Administrative Agent by such Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of the Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrowers and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrowers and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than eight (8) Interest Periods in effect with respect to all Loans.

2.03 [Reserved].

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, shall make loans (each such loan, a "Swing Line Loan") to each Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment and (iii) the Total Revolving Outstandings of any Borrower shall not exceed such Borrower's Borrower Sublimit, and provided, further, that no Borrower shall use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the applicable Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (a) a Swing Line Loan Notice or (b) telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 2:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of \$500,000 and integral multiples of \$100,000 in excess thereof, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the

borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the applicable Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the applicable Borrower (which hereby irrevocably requests and authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Revolving Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 5.02 (other than the delivery of a Revolving Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. The Swing Line Lender shall furnish the applicable Borrower with a copy of the applicable Revolving Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Revolving Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Revolving Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be

absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, any Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02.

No such purchase or funding of risk participations shall relieve or otherwise impair the obligation of any Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination thereof.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the applicable Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. Each Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05

Prepayments.

(a) Voluntary Prepayments.

(i) Revolving Loans. Each Borrower may, upon delivery of a Prepayment Notice from such Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans, in whole or in part without premium or penalty; provided that (A) such Prepayment Notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans (prior to the end of an applicable Interest Period) and (2) on the

date of prepayment of Base Rate Loans; (B) any such prepayment of Eurodollar Rate Loans shall be in a principal amount of \$2,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (C) any prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such Prepayment Notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such Prepayment Notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such Prepayment Notice is given by a Borrower, such Borrower shall make such prepayment and the payment amount specified in such Prepayment Notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(ii) Swing Line Loans. Each Borrower may, upon delivery of a Prepayment Notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such Prepayment Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal thereof then outstanding). Each such Prepayment Notice shall specify the date and amount of such prepayment. If such Prepayment Notice is given by a Borrower, such Borrower shall make such prepayment and the payment amount specified in such Prepayment Notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason (A) the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect or (B) the Total Revolving Outstandings of any Borrower at any time exceed such Borrower's Borrower Sublimit, the applicable Borrower or Borrowers shall immediately prepay Revolving Loans and/or the Swing Line Loans in an aggregate amount equal to such excess.

(ii) Application of Mandatory Prepayments. All amounts required to be paid pursuant to Section 2.05(b)(i) shall be applied ratably to Revolving Loans and Swing Line Loans. Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06

Termination or Reduction of Aggregate Revolving Commitments

(a) Optional Reductions. The Borrowers, or any Borrower individually, shall have the right, upon at least three (3) Business Days' notice to the Administrative Agent, to terminate in whole or, upon same day notice, from time to time to permanently reduce (i) ratably in part the

unused portion of the Aggregate Revolving Commitments or (ii) the Borrower Sublimit of such Borrower without ratably reducing the unused portion of the Aggregate Revolving Commitments; *provided* that each partial reduction shall be in the aggregate amount of \$5,000,000 or in an integral multiple of \$1,000,000 in excess thereof. Each such notice of termination or reduction shall be irrevocable; *provided, further*, that, if, after giving effect to any reduction, the Swing Line Sublimit or any Borrower Sublimit exceeds the amount of the Aggregate Revolving Commitments, such sublimit shall be automatically reduced by the amount of such excess. Any Aggregate Revolving Commitment reduced or terminated pursuant to this Section may not be reinstated. Any Borrower other than Eversource that terminates its right to obtain Revolving Loans and that has repaid all its Obligations shall no longer constitute a "Borrower".

(b) Notice. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Swing Line Sublimit, any Borrower's Borrower Sublimit or the Aggregate Revolving Commitments under this Section 2.06. Upon any reduction of the Aggregate Revolving Commitments, the Revolving Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Aggregate Revolving Commitments accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. Each Borrower shall repay to the Lenders on the Revolving Loan Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. Each Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date within one (1) Business Day of demand therefor by the Swing Line Lender and (ii) the Revolving Loan Maturity Date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin, (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, all outstanding Obligations shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) is not paid when due (after giving effect to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

(a) Facility Fee. Each Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a facility fee (the "Facility Fee") at a rate per annum equal to the product of (i) the Facility Fee rate specified in the definition of "Applicable Margin" times (ii) such Borrower's Facility Percentage times (iii) the Aggregate Revolving Commitments. The Facility Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Effective Date, and on the Revolving Loan Maturity Date; provided, that each Defaulting Lender shall be entitled to receive fees payable under this Section 2.09(a) for any period during which that Lender is a Defaulting Lender only to extent allocable to the outstanding principal amount of the Loans funded by it. The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Margin during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(b) Fee Letters. Each Borrower shall pay to the Joint Lead Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall be non-refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of interest for Base Rate Loans determined by reference to clause (b) of the definition of "Base Rate" in Section 1.01 shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest (including without limitation computations of interest for Base Rate Loans determined by reference to clauses (a) and (c) of the definition of "Base Rate" in Section 1.01) shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Borrowings made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each

Lender shall be conclusive absent manifest error of the amount of the Borrowings made by the Lenders to each Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of any Borrower hereunder to pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

Upon the request of any Lender made through the Administrative Agent, the applicable Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit 2.11(a)-1 (a "Revolving Note") and (ii) in the case of Swing Line Loans, be in the form of Exhibit 2.11(a)-2 (a "Swing Line Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12. Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by any Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by any Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to the definition of "Interest Period", if any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of any Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately

available funds with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by such Borrower, the interest rate applicable to Base Rate Loans. If such Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrowers; Presumptions by Administrative Agent.

Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the applicable Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the applicable Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrower by the Administrative Agent because the conditions to the applicable Borrowing set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall promptly return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in Swing Line Loans held by it (excluding any amounts applied by the Swing Line Lender to outstanding Swing Line Loans) resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14 or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations Swing Line Loans to any assignee or participant, other than an assignment to any Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

2.14

Cash Collateral.

(a) Certain Credit Support Events. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent or the Swing Line Lender, each Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at the Administrative Agent. Each Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent and the Lenders (including the Swing Line Lender) and

agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, each Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14, Section 2.04, or Section 2.15 in respect of Swing Line Loans shall be held and applied in satisfaction of the specific Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of a Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.14 may be otherwise applied in accordance with Section 9.03) and (y) the Person providing Cash Collateral and the Swing Line Lender may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendment. The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 11.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the Swing Line Lender hereunder; third, if so determined by the Administrative Agent or requested by the Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Line Loan;

fourth, as any Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and each Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; sixth, to the payment of any amounts owing to the Lenders, the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to the pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. The Defaulting Lender shall not be entitled to receive any Facility Fee pursuant to Section 2.09(a) for any period during which such Lender is a Defaulting Lender (and no Borrower shall be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swing Line Loans pursuant to Section 2.04, the "Applicable Percentage" of each non-Defaulting Lender shall be computed without giving effect to the Revolving Commitment of that Defaulting Lender; provided, that, each such reallocation (x) shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default exists; and (y) does not cause the aggregate Revolving Credit Exposure of any non-Defaulting Lender to exceed such non-Defaulting Lender's Revolving Commitment.

(b) Defaulting Lender Cure. If each Borrower, the Administrative Agent and the Swing Line Lender agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon that Lender will cease to be

a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while that Lender was a Defaulting Lender; provided, further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

2.16 Additional Revolving Commitments.

Eversource may, at any time and from time to time, upon prior written notice by Eversource to the Administrative Agent increase the Aggregate Revolving Commitments (but not the Swing Line Sublimit) by a maximum aggregate amount of up to TWO HUNDRED FIFTY MILLION DOLLARS (\$250,000,000) with additional Revolving Commitments from any existing Lender with a Revolving Commitment or new Revolving Commitments from any other Person selected by Eversource and acceptable to the Administrative Agent and the Swing Line Lender; provided that:

- (a) any such increase shall be in a minimum principal amount of \$10,000,000 and in integral multiples of \$5,000,000 in excess thereof;
- (b) no Default or Event of Default shall exist and be continuing at the time of any such increase or would result from any Borrowing on the day of such increase;
- (c) no existing Lender shall be under any obligation to increase its Revolving Commitment and any such decision whether to increase its Revolving Commitment shall be in such Lender's sole and absolute discretion;
- (d) any new Lender shall join this Agreement by executing such joinder documents required by the Administrative Agent and/or any existing Lender electing to increase its Revolving Commitment shall have executed a commitment agreement satisfactory to the Administrative Agent;
- (e) any existing Lender or any new Lender providing a portion of the increase in Revolving Commitments shall be reasonably acceptable to the Administrative Agent and the Swing Line Lender; and
- (f) as a condition precedent to such increase, Eversource shall deliver to the Administrative Agent (A) a certificate of each Borrower dated as of the date of such increase (in sufficient copies for each Lender) signed by a Responsible Officer of such Borrower (1) certifying and attaching the resolutions adopted by such Borrower approving or consenting to such increase, and (2) in the case of Eversource, certifying that, before and after giving effect to such increase, the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects on and as of the date of such increase, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.16, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, and (B) legal opinions and other documents reasonably requested by the Administrative Agent.

Each Borrower shall prepay any Loans owing by it and outstanding on the date of any such increase (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to

keep the outstanding Loans ratable with any revised Revolving Commitments arising from any nonratable increase in the Revolving Commitments under this Section.

2.17 Extension of Revolving Loan Maturity Date.

(a) Request for Extension. The Borrowers may by written notice to the Administrative Agent (who shall promptly notify the Lenders) given not less than forty-five (45) days prior to any anniversary of the Effective Date, request that each Lender extend the Revolving Loan Maturity Date for an additional one (1) year from the then existing Revolving Loan Maturity Date; provided, that the Borrowers shall only be permitted to exercise this extension option two (2) times during the term of this Agreement; provided, further, that, in no case shall the Revolving Loan Maturity Date exceed five (5) years from any date.

(b) Lenders Election to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than fifteen (15) days following the receipt of notice of such request from the Administrative Agent (the "Notice Date"), advise the Administrative Agent in writing whether or not such Lender agrees to such extension (and each Lender that determines not to so extend its Revolving Loan Maturity Date (a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrowers of each Lender's determination under this Section 2.17 promptly and in any event no later than the date fifteen (15) days after the Notice Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Borrowers shall have the right on or before the applicable anniversary of the Effective Date to replace each Non-Extending Lender with, and add as "Lenders" under this Agreement in place thereof, one or more Eligible Assignees (each, an "Additional Commitment Lender") as provided in Section 11.13, each of which Additional Commitment Lenders shall have entered into an Assignment and Assumption pursuant to which such Additional Commitment Lender shall, undertake a Revolving Commitment (and, if any such Additional Commitment Lender is already a Lender, its Revolving Commitment shall be in addition to such Lender's Revolving Commitment hereunder on such date) and shall be a "Lender" for all purposes of this Agreement.

(e) Minimum Extension Requirement. If all of the Lenders agree to any such request for extension of the Revolving Loan Maturity Date then the Revolving Loan Maturity Date for all Lenders shall be extended for the additional one (1) year, as applicable. If there exists any Non-Extending Lenders that are not being replaced by Additional Commitment Lenders, then the Borrowers shall (i) withdraw their extension request and the Revolving Loan Maturity Date will remain unchanged or (ii) provided that the Required Lenders (but for the avoidance of doubt, not including any Additional Commitment Lenders) have agreed to the extension request (such Lenders agreeing to such extension, the "Approving Lenders") no later than fifteen (15) days prior to such anniversary of the Effective Date, then the Borrowers may extend the Revolving Loan Maturity Date solely as to the Approving Lenders and the Additional Commitment Lenders with a reduced amount of Aggregate Revolving Commitments during such extension period equal to the aggregate Revolving Commitments of the Approving Lenders and the Additional

Commitment Lenders; it being understood that (A) the Revolving Loan Maturity Date relating to any Non-Extending Lenders not replaced by an Additional Commitment Lender shall not be extended and the repayment of all obligations owed to them and the termination of their Revolving Commitments shall occur on the already existing Revolving Loan Maturity Date and (B) the Revolving Loan Maturity Date relating to the Approving Lenders and the Additional Commitment Lenders shall be extended for an additional year, as applicable.

(f) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, any extension of the Revolving Loan Maturity Date pursuant to this Section 2.17 shall not be effective with respect to any Lender unless:

(i) on the date of such extension, the conditions for a Borrowing provided in Section 5.02(a) and (b) shall be satisfied;

(ii) the Administrative Agent shall have received a certificate of a Responsible Officer of each of the Borrowers certifying that as of the date of such extension, (A) there are no actions, suits, proceedings, or disputes pending or, to the knowledge of any of the Borrowers after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any of the Borrowers or any of their respective Principal Subsidiaries or against any of their properties or revenues that (1) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (2) could reasonably be expected to have a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents and (B) since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents; and

(iii) on the date of such extension, the Borrowers shall prepay any Loans outstanding on such date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep outstanding Loans ratable with any revised Applicable Percentages of the respective Lenders effective as of such date.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Borrower, then the Administrative Agent or such Borrower shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Borrower or the Administrative Agent shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup

withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Borrower or the Administrative Agent shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) such Borrower or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Borrower or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, the Borrowers shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Without limiting the provisions of subsection (a) or (b) above, but without duplication, each of the Borrowers shall, and does hereby, severally indemnify each Recipient, and shall make payment in respect thereof within ten days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. Each of the Borrowers shall, and does hereby, severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that any Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrowers to do so), (B) the Administrative Agent and the

Borrowers, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Borrowers, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent or a Borrower in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by any Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by any Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, such Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the applicable Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the applicable Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to each Borrower and the Administrative Agent, at the time or times reasonably requested by such Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by such Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding.

In addition, any Lender, if reasonably requested by any Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by such Borrower or the Administrative Agent as will enable such Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender; *provided*, that this sentence shall not apply to documentation described in Section 3.01(e)(ii)(C) if such documentation is in substance essentially equivalent to, and not materially more onerous to provide, than the documentation set forth in Section 3.01(e)(ii)(A), (ii)(B), or (ii)(D).

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to such Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed copies of Internal Revenue

Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), whichever of the following is applicable (together with any required schedules and attachments):

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, Internal Revenue Service Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of Internal Revenue Service Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 3.01(e)-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of such Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY, accompanied by Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.01(e)-2 or Exhibit 3.01(e)-3, Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.01(e)-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such

supplementary documentation as may be prescribed by applicable Law to permit such Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to such Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by such Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by such Borrower or the Administrative Agent as may be necessary for such Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify each applicable Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Borrower under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that such Borrower, upon the request of the Recipient, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to any Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Borrower or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to each applicable Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and each applicable Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) each such Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, each applicable Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 nability to Determine Rates.

If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a) above, "Impacted Loans"), or (b) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent upon the instruction of the Required Lenders revokes such notice. Upon receipt of such notice, the Borrowers may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a) of the first sentence of this section, the Administrative Agent, in consultation with the Borrowers and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered under the first sentence of this section with respect to the Impacted Loans, (2) the Administrative Agent or any of the affected Lenders notifies the Administrative Agent and the Borrowers that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender reasonably determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrowers written notice thereof.

3.04
Increased Costs.

- (a) Increased Costs Generally. If any Change in Law shall:
- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate);
 - (ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Eurodollar Rate Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (in each case, except for Indemnified Taxes and Excluded Taxes); or
 - (iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, each Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Revolving Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time each applicable Borrower will pay to such Lender such

42

additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to each applicable Borrower shall be conclusive absent manifest error. Such Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that no Borrower shall be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies such Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Payment Obligations. Payment obligations of the Borrowers under this Section 3.04 shall be subject to Section 11.19.

3.05

Compensation for Losses.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrowers shall promptly compensate such Lender for, and hold such Lender harmless from, any loss, cost or expense incurred by it as a result of:

- (a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);
- (b) any failure by any Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower; or
- (c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by any Borrower pursuant to Section 11.13;

including any loss (other than any loss of anticipated profits) or expense arising from the liquidation or redeployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Each Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by any Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded. Payment obligations of the Borrowers under this Section 3.05 shall be subject to Section 11.19.

3.06

Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Borrower hereby agrees to pay its all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrowers may replace such Lender in accordance with Section 11.13.

3.07

Survival.

All of each Borrower's obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations and resignation of the Administrative Agent.

3.08 Withholding Taxes.

For purposes of determining withholding Taxes imposed under FATCA, from and after the Effective Date, the Borrowers and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans under this Agreement as not qualifying as “grandfathered obligations” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

ARTICLE IV

[RESERVED]

ARTICLE V

CONDITIONS PRECEDENT TO BORROWINGS

5.01 Conditions of Initial Borrowings.

This Agreement shall become effective upon, and the obligation of each Lender to make Loans to any Borrower hereunder is subject to, satisfaction of the following conditions precedent:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and a Note for each Lender that has requested a Note, each properly executed by a Responsible Officer of each Borrower and, in the case of this Agreement, by each Lender.

(b) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel to the Borrowers, addressed to the Administrative Agent and each Lender, dated as of the Effective Date, and in form and substance reasonably satisfactory to the Administrative Agent.

(c) Financial Statements. The Administrative Agent shall have received:

(i) the Audited Financial Statements; and

(ii) unaudited consolidated financial statements of each Borrower and its Subsidiaries for the fiscal quarter ended June 30, 2015, including balance sheets and statements of income or operations, shareholders' equity and cash flows (the "Interim Financial Statements").

(d) No Material Adverse Change. Since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had a Material Adverse Effect with respect to any Borrower, other than as specifically disclosed in the Disclosure Documents.

(e) Litigation. There shall not exist any action, suit, investigation or proceeding pending or, to the knowledge of any Borrower, threatened in any court or before an arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect, other than as specifically disclosed in the Disclosure Documents.

(f) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals or facsimiles (followed promptly by originals), in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) copies of the Organization Documents of each Borrower certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Borrower to be true and correct as of the Effective Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Borrower as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Borrower is a party; and

(iii) such documents and certifications as the Administrative Agent may require to evidence that each Borrower is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(g) Closing Certificate. Receipt by the Administrative Agent of a certificate signed by a Responsible Officer of each Borrower certifying that (i) the conditions specified in Sections 5.01(d) and (e) and Sections 5.02(a) and (b) have been satisfied and (ii) each Borrower and its Subsidiaries (after giving effect to the transactions contemplated hereby and the incurrence of Indebtedness related thereto) are Solvent on a consolidated basis.

(h) OFAC, Patriot Act, Etc. Receipt by the Administrative Agent of all documentation and other information that any Lender has reasonably requested in order to comply with its ongoing obligations under applicable “know your customer”, OFAC and anti-corruption laws, including the Patriot Act.

(i) Repayment of Existing Credit Agreement. Receipt by the Administrative Agent of evidence of the repayment in full of all outstanding amounts under the Existing Credit Agreement.

(j) Fees. Receipt by the Administrative Agent, the Joint Lead Arrangers and the Lenders of any fees required to be paid on or before the Effective Date.

(k) Attorney Costs. The Borrowers shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Administrative Agent).

(l) Other. Receipt by the Administrative Agent and the Lenders of such other documents, instruments, agreements and information as reasonably requested by the Administrative Agent or any Lender, including, but not limited to, information regarding litigation, tax, accounting, labor, insurance, pension liabilities (actual or contingent), real estate leases, material contracts, debt agreements, property ownership, environmental matters, contingent liabilities and management of each Borrower and its Subsidiaries.

Without limiting the generality of the provisions of the last paragraph of Section 10.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document made available to it for review prior to the Effective Date or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

5.02 Conditions to all Borrowings.

The obligation of each Lender to honor any Request for Borrowing from any Borrower is subject to the following conditions precedent:

(a) The representations and warranties of such Borrower contained in Article VI (other than Sections 6.05(c) and 6.06) or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Borrowing (other than any representation and warranty that is expressly qualified by materiality, in which case such representation and warranty shall be true and correct in all respects), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (other than any representation and warranty that is expressly qualified by materiality, in which case such representation and warranty shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 5.02, the representations and warranties contained in clauses (a) and (b) of Section 6.05 shall be deemed to

refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.

(b) No Default shall exist, or would result from such proposed Borrowing or from the application of the proceeds thereof, with respect to such Borrower.

(c) The Administrative Agent and, if applicable, the Swing Line Lender shall have received a Request for Borrowing from such Borrower in accordance with the requirements hereof.

Each Request for Borrowing submitted by any Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Borrowing.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Administrative Agent and the Lenders that:

6.01 Existence, Qualification and Power.

Each Borrower and each Principal Subsidiary thereof (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws; except in each case referred to in clause (b)(i), (c) or (d), to the extent that failure to do so would not have a Material Adverse Effect.

6.02 Authorization; No Contravention.

The execution, delivery and performance by each Borrower of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Principal Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law. Each Borrower and its Principal Subsidiaries is in compliance with all Contractual Obligations referred to in clause (b)(i), except to the extent that failure to do so would not have a Material Adverse Effect.

6.03 Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority (including FERC and DPU) is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Borrower of this Agreement or any

other Loan Document, other than those approvals, consents or filings already obtained or made and in full force and effect.

6.04 Binding Effect.

This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Borrower, enforceable against each Borrower that is party thereto in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights and general principles of equity.

6.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements of each Borrower and its Subsidiaries (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of such Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show to the extent required by GAAP all material indebtedness and other liabilities, direct or contingent, of such Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of each Borrower and its Subsidiaries dated June 30, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of such Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents.

6.06 Litigation.

There are no actions, suits, proceedings, or disputes pending or, to the knowledge of any Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any of the Borrowers or any of their respective Principal Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents.

6.07 No Default.

None of the Borrowers and their respective Principal Subsidiaries is in default under or with respect to any indebtedness for borrowed money in excess of the Threshold Amount. No Default has

occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

6.08 Ownership of Property; Liens.

Each of the Borrowers and their respective Principal Subsidiaries have good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not, individually or in the aggregate have a Material Adverse Effect. As of the date of this Agreement, each of the Borrowers and their respective Principal Subsidiaries enjoy peaceful and undisturbed possession under all leases of real property on which facilities operated by it are situated, and all such leases are valid and subsisting and in full force and effect. The property of each of the Borrowers and their respective Principal Subsidiaries is subject to no Liens, other than Liens permitted by Section 8.01.

6.09 Environmental Compliance.

Each of the Borrowers and their Principal Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof each Borrower has reasonably concluded that such Environmental Laws and claims would not, individually or in the aggregate have a Material Adverse Effect.

6.10 Insurance.

The properties of each of the Borrowers and their respective Principal Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of any Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Borrower or the applicable Principal Subsidiary operates. All of such policies (a) are in full force and effect, (b) are sufficient for compliance by each of the Borrowers and their respective Principal Subsidiaries with all written agreements or instruments to which such Borrower or any such Principal Subsidiary is a party and all applicable requirements of law, (c) provide that they will remain in full force and effect through the respective dates set forth in such policies and (d) will not in any way be affected by, or terminate or lapse by reason of, the transactions contemplated by this Agreement. None of the Borrowers and their respective Principal Subsidiaries are in default with respect to its obligations under any of such insurance policies and have not received any notification of cancellation of any such insurance policies.

6.11 Taxes.

The Borrowers and their respective Principal Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP and those where the failure to file or pay would not have a Material Adverse Effect. There is no unpaid tax claimed by any governmental Authority to be due against any of the Borrowers or any of their respective Principal Subsidiaries that would, if made, have a Material Adverse Effect. As of the Effective Date, none of the Borrowers and their respective Principal Subsidiaries is party to any tax sharing agreements other than as set forth on Schedule 6.11.

6.12 ERISA Compliance.

(a) Except as would not reasonably be likely to result in a Material Adverse Effect, each Pension Plan sponsored or maintained by a Borrower is in substantial compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state Laws. Each Pension Plan that is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service or an application for such a letter is currently being processed by the Internal Revenue Service with respect thereto and, to the best knowledge of each Borrower, nothing has occurred which has not been or cannot be corrected that would prevent, or cause the loss of, such qualification. Each Borrower, and to the best knowledge of each Borrower, each ERISA Affiliate have made all required contributions to each Pension Plan or, any delinquent contributions, have been corrected pursuant to a government sponsored correction program, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Internal Revenue Code has been made with respect to any Pension Plan.

(b) There are no pending or, to the best knowledge of each Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Pension Plan that would reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Pension Plan that has resulted in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) each Borrower, and to the best knowledge of each Borrower, each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) neither any Borrower, nor to the knowledge of each Borrower, any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (iv) no Borrower, or to the best knowledge of each Borrower, any ERISA Affiliate has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

6.13 Subsidiaries.

As of the Effective Date, none of the Borrowers has any Principal Subsidiaries other than those specifically disclosed in Part (a) of Schedule 6.13, and all of the outstanding Equity Interests entitled to vote for the election of directors or other governing Persons in such Principal Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by such Borrower in the amounts specified on Part (a) of Schedule 6.13 free and clear of all Liens. All of the outstanding Equity Interests entitled to vote in each Borrower have been validly issued and are fully paid and nonassessable, and the Equity Interests of each Borrower (other than Eversource) are owned by Eversource to the extent specified, as of the Effective Date, on Part (b) of Schedule 6.13 free and clear of all Liens.

6.14 Use of Proceeds; Margin Regulations; Investment Company Act.

(a) The proceeds of the Loans will be used for working capital, capital expenditures and other general corporate purposes (including the repayment of Indebtedness). The proceeds of the Loans will not be used in any way which would violate the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System. No Borrower is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Borrowers and their respective Subsidiaries is a “registered investment company” or an “affiliated company” or a “principal underwriter” of a “registered investment company”, as such terms are defined in the Investment Company Act of 1940, as amended.

6.15 Disclosure.

Each Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Principal Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Borrower to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6.16 Compliance with Laws.

Each of the Borrowers and their respective Principal Subsidiaries are in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not have a Material Adverse Effect.

6.17 Solvency.

Each Borrower, together with its Subsidiaries on a consolidated basis, are and, upon the incurrence of any Borrowing on any date on which this representation and warranty is made, will be, Solvent.

6.18 Taxpayer Numbers and Other Information.

Each Borrower’s (a) true and correct U.S. taxpayer identification number, (b) full legal name, (c) state of incorporation, formation or organization and (d) the address of its principal place of business are set forth on Schedule 6.18.

6.19

Sanctions Concerns; Anti-Corruption Laws.

(a) Sanctions Concerns. No Borrower, nor any Subsidiary of any Borrower, nor, to the knowledge of the Borrowers and their Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction so as to result in a violation of Sanctions.

(b) Anti-Corruption Laws. Each of the Borrowers and their respective Subsidiaries and, to the knowledge of the Borrowers and their respective Subsidiaries, all directors, officers, employees, agents, affiliates and representatives thereof, have conducted their business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as any Lender shall have any commitment hereunder, any Loan or other obligation hereunder shall remain unpaid or unsatisfied, each of the Borrowers hereby agrees that it shall, and shall (except in the case of the covenants set forth in Sections 7.01, 7.02, and 7.03) cause each of its Principal Subsidiaries to:

7.01 Financial Statements.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) with respect to each Borrower, as soon as available, but in any event within one hundred five (105) days after the end of each fiscal year of such Borrower, a consolidated balance sheet of such Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit and to the effect that such financial statements have been prepared in accordance with GAAP applied on a basis consistent with prior years (except as to changes with which such accountants concur and which shall be disclosed in the notes thereto or in a letter) and fairly present in all material respects the financial condition of such Borrower and its Subsidiaries at the dates thereof and the results of its consolidated operations for the periods covered thereby; and

(b) with respect to each Borrower, as soon as available, but in any event within fifty (50) days after the end of each of the first three (3) fiscal quarters of each fiscal year of such Borrower, a consolidated balance sheet of such Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of such Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by a Responsible

Officer of such Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of such Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

As to any information contained in materials furnished pursuant to Section 7.02(d), no Borrower shall be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of each Borrower to furnish the information and materials described in clauses (a) and (b) above at the times specified therein. For purposes of clarity, in the event that any Borrower merges into another entity and is not the surviving Person, dissolves or otherwise ceases to have a legal existence, then the financial delivery requirements in this Section 7.01 shall no longer apply to such Borrower.

7.02 Certificates; Other Information.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a certificate substantially in the form of Exhibit 7.02(a) signed by a Responsible Officer of each of the Borrowers (the “Compliance Certificate”) (i) stating that no Default or Event of Default has occurred and is continuing on the date of such certificate, and if a Default or an Event of Default has then occurred and is continuing, specifying the details thereof and the action that such Borrower has taken or proposes to take with respect thereto, (ii) setting forth in reasonable detail computations evidencing compliance with Section 8.06 hereof as determined on the last day of the fiscal quarter immediately preceding the fiscal quarter during which such certifications are to be delivered pursuant to this clause (a) and (iii) stating whether any change in GAAP or the application thereof has occurred since the date of the audited financial statements referred to in Section 7.01 and, if any change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(b) concurrently with the delivery of the financial statements referred to in clauses (a) and (b) of Section 7.01, a copy of the certification (if any) signed by the principal executive officer and the principal financial officer of each Borrower (each a “Certifying Officer”) as required by Rule 13A-14 under the Securities Exchange Act of 1934 and a copy of the internal controls disclosure statement by such Certifying Officer as required by Rule 13A-15 under the Securities Exchange Act of 1934, each as included in such Borrower’s Annual Report on Form 10-K or Quarterly Report on Form 10-Q, for the applicable fiscal period;

(c) contemporaneously with the filing or mailing thereof, copies of all financial statements sent by each Borrower to shareholders and all reports, notices, proxy statements or other communications sent by such Borrower to its shareholders, and all reports under Sections 12, 13 and 14 and under any rules promulgated with respect to such sections (including all reports on Forms 8-K, 10-K and 10-Q, along with all amendments and supplements thereto) of the Securities and Exchange Act of 1934, as amended, all Schedules 13D and 13G and all amendments thereto, and registration statements filed by such Borrower with any securities exchange or with the SEC or any successor;

(d) promptly, and in any event within five (5) Business Days after receipt thereof by any Borrower or any Subsidiary thereof, copies of each formal notice received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of such Borrower or such Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect; and

(e) promptly, such additional information regarding the business, financial or corporate affairs of any Borrower or any Principal Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Eversource or the applicable Borrower posts such documents, or provides a link thereto on Eversource's or such Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on Eversource's or such Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) each Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests such Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) each Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by any Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Each Borrower hereby acknowledges that (a) the Administrative Agent and/or the Joint Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of such Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on SyndTrak or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (*i.e.*, Lenders that do not wish to receive material non-public information with respect to such Borrower or its securities) (each, a "Public Lender"). Each Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," such Borrower shall be deemed to have authorized the Administrative Agent, the Joint Lead Arrangers, and the Lenders to treat such Borrower Materials as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to such Borrower or its securities for purposes of United States Federal and state securities laws; (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

7.03 Notices.

Promptly notify the Administrative Agent and each Lender of:

- (a) the occurrence of any Default;
- (b) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including as a result of: (i) breach or non-performance of, or any default under, a Contractual Obligation of any Borrower or any Principal Subsidiary; (ii) any dispute,

litigation, investigation, proceeding or suspension between any Borrower or any Principal Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Borrower or any Principal Subsidiary, including pursuant to any applicable Environmental Laws;

(c) the occurrence of any ERISA Event; and

(d) any announcement by Moody's or S&P of any change in a Reference Rating.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the applicable Borrower setting forth details of the occurrence referred to therein and stating what action such Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04 Payment of Taxes.

Pay and discharge as the same shall become due and payable, all its tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Borrower or such Subsidiary and all lawful claims which, if unpaid, would by Law become a Lien upon its property, except in each case where the failure to pay such amounts would not have a Material Adverse Effect.

7.05 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.02; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which would not have a Material Adverse Effect.

7.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so would not have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities; provided, however, that in each of the foregoing cases described in clauses (a), (b), and (c), none of the Borrowers and Principal Subsidiaries will be prevented from discontinuing the operation and maintenance of any such properties if such discontinuance is, in the reasonable judgment of such Borrower or Principal Subsidiary, as applicable, desirable in the operation or maintenance of its business and would not result, or be reasonably likely to result, in a Material Adverse Effect.

7.07 Maintenance of Insurance.

Maintain with financially sound and reputable insurance companies not Affiliates of any Borrower, insurance with respect to its properties and business against loss or damage of the kinds

customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

7.08 Compliance with Laws.

Comply (a) with the Patriot Act, OFAC rules and regulations and all Sanctions and laws related thereto, (b) in all material respects, with the requirements of all other Laws (including Environmental Laws and anti-money laundering laws) applicable to it or to its business or property, except in such instances in which such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted, (c) all material provisions of its charter documents, by-laws, operating agreement, certificate and other constituent documents, as applicable, and (d) all material applicable decrees, orders, and judgments, except where the failure to comply with clauses (b) through (c) above would not have a Material Adverse Effect.

7.09 Books and Records.

Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Borrower or such Principal Subsidiary, as the case may be, in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Borrower or such Subsidiary, as the case may be.

7.10 Inspection Rights.

Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the applicable Borrower.

7.11 Use of Proceeds.

Use the proceeds of the Borrowings for working capital, capital expenditures and other general corporate purposes (including the repayment of Indebtedness) not in contravention of any Law or of any Loan Document. The proceeds of the Loans will not be used in any way which would violate the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System.

7.12 Further Assurances.

(a) Promptly execute and deliver, or cause to be promptly executed and delivered, all further instruments and documents, and take and cause to be taken all further actions, that may be necessary or that the Required Lenders through the Administrative Agent may reasonably request to enable the Lenders and the Administrative Agent to carry out to their reasonable satisfaction the transactions contemplated by this Agreement and enforce the terms and provisions of this Agreement and to exercise their rights and remedies hereunder or under the Notes, and

(b) Use all commercially reasonable efforts to duly obtain governmental approvals required in connection with this Agreement from time to time on or prior to such date as the same may become legally required, and thereafter to maintain all such governmental approvals in full force and effect.

7.13 Conduct of Business.

Except as permitted by Section 8.02, conduct its primary business in substantially the same manner and in substantially the same fields as such business is conducted on the date hereof.

7.14 Governmental Approvals.

Duly obtain on or prior to such date as the same may become legally required, and thereafter maintain in effect at all times, all Governmental Approvals on its part to be obtained, except in the case of those Governmental Approvals referred to in clause (ii) of the definition of "Governmental Approval", (i) those the absence of which could not reasonably be expected to result in a Material Adverse Effect, and (ii) those that such Borrower or such Principal Subsidiary is diligently attempting in good faith to obtain, renew or extend, or the requirement for which such Borrower or such Principal Subsidiary is contesting in good faith by appropriate proceedings or by other appropriate means; provided, however, that the exception afforded by clause (ii), above, shall be available only if and for so long as such attempt or contest, and any delay resulting therefrom, could not reasonably be expected to result in a Material Adverse Effect.

7.15 Anti-Corruption Laws.

Conduct its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VIII

NEGATIVE COVENANTS

So long as any Lender shall have any Revolving Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, each of the Borrowers hereby agrees that it shall not, nor shall it permit any of its Principal Subsidiaries to (except in the case of the covenant set forth in Section 8.06, which shall apply only to Borrowers), directly or indirectly:

8.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens granted, incurred or existing in the ordinary course of business not in connection with the borrowing of money or the obtaining of credit and not otherwise described below,

(b) Liens arising in connection with the sale of accounts receivable,

(c) Liens existing on acquired property at the time of acquisition thereof by such Borrower or Subsidiary which liens do not extend to any property other than such acquired properties,

(d) any purchase money Lien or construction mortgage on assets hereafter acquired or constructed by a Borrower or any Subsidiary, and any Lien on any assets existing at the time of acquisition thereof by a Borrower or a Subsidiary or created within one hundred eighty (180)

days from the date of completion of such acquisition or construction; provided that such Lien or construction mortgage shall at all times be confined solely to the assets so acquired or constructed and any additions thereto;

(e) Liens existing on the date hereof and disclosed on Schedule 8.01;

(f) Liens created by the First Mortgage Indentures, so long as by the terms thereof no “event of default” (howsoever designated) in respect of any bonds issued thereunder will arise upon the occurrence of a Default or Event of Default hereunder;

(g) with respect to any Subsidiary, “Permitted Liens” or “Permitted Encumbrances” under the First Mortgage Indenture to which such Subsidiary is a party, in each case to the extent such Liens do not secure Indebtedness of such Subsidiary;

(h) Liens resulting from legal proceedings being contested in good faith by appropriate legal or administrative proceedings by any Borrower or any Subsidiary, and as to which such Borrower or such Subsidiary, to the extent required by GAAP, shall have set aside on its books adequate reserves;

(i) Liens created in favor of the other contracting party in connection with advance or progress payments;

(j) any Liens in favor of any Governmental Authority, or trustee acting on behalf of holders of obligations issued by any Governmental Authority or any financial institutions lending to or purchasing obligations of any Governmental Authority, which Lien is created or assumed for the purpose of financing all or part of the cost of acquiring or constructing the property subject thereto;

(k) Liens resulting from conditional sale agreements, capital leases or other title retention agreements;

(l) with respect to sewage facility and pollution control bond financings, Liens on funds, accounts and other similar intangibles of the Borrower or any Subsidiary created or arising under the relevant indenture, pledges of the related loan agreement with the relevant issuing authority and pledges of any Borrower’s or any Subsidiary’s interest, if any, in any bonds issued pursuant to such financings to a letter of credit bank or bond issuer or similar credit enhancer;

(m) Liens granted on accounts receivable and Regulatory Assets in connection with financing transactions, whether denominated as sales or borrowings;

(n) Liens on the assets of, the stock issued by or other equity of, any Subsidiary of any Borrower created to hold generating or transmission assets if such Liens are created to secure Indebtedness that is nonrecourse to such Borrower and is incurred to acquire, construct or otherwise develop such generating or transmission assets;

(o) Liens created to secure Indebtedness of a transmission company Subsidiary of any Borrower with respect to assets transferred to such transmission company by another Subsidiary of such Borrower;

(p) any extension, renewal or replacement of Liens permitted by clauses (c), (d), (e), (f), (g), and (k) through (n); *provided, however*, that the principal amount of Indebtedness

secured thereby shall not, at the time of such extension, renewal or replacement, exceed the principal amount of Indebtedness so secured and that such extension, renewal or replacement shall be limited to all or a part of the property that secured the Lien so extended, renewed or replaced or to other property of no greater value than the property that secured the Lien so extended, renewed or replaced;

(q) Liens on the assets of any Borrower and its Principal Subsidiaries granted by such Borrower and its Principal Subsidiaries to secure long term Indebtedness of such Borrower (exclusive of those granted under clauses (c), (d), (e), (f), (g) and (k) through (o) above) provided that at the time of granting such Liens (and after giving effect thereto), the aggregate amount of all such long term Indebtedness of all of the Borrowers and their respective Principal Subsidiaries taken together shall not exceed \$700,000,000; and

(r) Stranded Cost Recovery Obligations securitization transactions.

8.02 Fundamental Changes.

Merge, amalgamate, dissolve, liquidate, wind-up or consolidate (or suffer any liquidation or dissolution) with or into another Person, or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (including Equity Interests in Subsidiaries) (whether now owned or hereafter acquired) to or in favor of any Person unless:

(a) a Subsidiary of Eversource merges, amalgamates or consolidates with Eversource or any Subsidiary of Eversource; provided (i) if Eversource is party to such transaction, Eversource shall be the surviving entity, (ii) with respect to any such transaction to which a Borrower other than Eversource is party, such Borrower shall be the surviving entity in such transaction or, if a Subsidiary is the surviving entity in such transaction, such Subsidiary shall be a Domestic Subsidiary and shall expressly assume, by an amendment to this Agreement in form satisfactory to the Administrative Agent, the obligations under, and due and punctual performance of, this Agreement and (iii) that in the event that a Subsidiary is the surviving entity in such transaction, such Subsidiary shall be deemed to be, and shall be, a "Principal Subsidiary" hereunder,

(b) a Subsidiary of Eversource liquidates or dissolves into, or makes an asset disposition to, Eversource or any Subsidiary of Eversource; provided (i) if Eversource is party to such transaction, Eversource shall be the entity into which assets are transferred, (ii) with respect to any such transaction to which a Borrower other than Eversource is party, such Borrower shall be the entity into which assets are transferred in such transaction or, if a Subsidiary is the surviving entity into which assets are transferred in such transaction, such Subsidiary shall be a Domestic Subsidiary and shall expressly assume, by an amendment to this Agreement in form satisfactory to the Administrative Agent, the obligations under, and due and punctual performance of, this Agreement) is the entity to which assets are transferred in such transaction and (iii) that in the event that a Subsidiary is the entity to which assets are transferred, in such transaction, such Subsidiary shall be deemed to be, and shall be, a "Principal Subsidiary" hereunder,

(c) all corporate and regulatory approvals therefor have been received,

(d) no Default or Event of Default would exist hereunder after giving effect to such transaction, and

(e) the senior unsecured debt ratings of S&P and Moody's applicable to (i) Eversource and (ii) to the extent applicable, such Principal Subsidiary that is the surviving entity in a transaction permitted under clause (a) above, (iii) to the extent applicable, the entity to which assets are transferred, in such a transaction permitted under clause (b) and (iv) to the extent applicable, the Principal Subsidiary disposing of assets to a Person other than Eversource or any of its Subsidiaries in a transaction permitted under clause (b) above, in each case after giving effect to such transaction, shall be at least BBB- and Baa3.

Notwithstanding the foregoing, any disposition of assets permitted by the foregoing provisions of this Section 8.02 to a Person other than Eversource and its Subsidiaries may be consummated by way of merger, amalgamation or consolidation.

8.03 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by such Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

8.04 Transactions with Affiliates and Insiders.

Enter into any transaction of any kind with any officer, director or Affiliate of any Borrower, whether or not in the ordinary course of business, other than (a) except as otherwise specifically limited in this Agreement, transactions which are on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate, (b) any transaction for which such Borrower or Subsidiary has obtained the approval of the DPU, (c) immaterial incidental transactions among Borrower and its Affiliates which are substantially on arm's length basis, such as cash management, facility sharing, tax sharing, management services or other overhead sharing matters, (d) intercompany transactions, including loans and advances and the provision of services, not prohibited under this Agreement or required under the Federal Power Act and the rules of the FERC or state utility commissions, in each case to the extent applicable thereto, (e) normal and reasonable compensation and reimbursement expenses of officers and directors in the ordinary course of business and (f) Stranded Cost Recovery Obligations securitization transactions.

8.05 Use of Proceeds.

Use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.06 Consolidated Indebtedness to Capitalization Ratio.

With respect to each Borrower, permit the Consolidated Indebtedness to Capitalization Ratio of such Borrower as of the end of any fiscal quarter of such Borrower to be greater than 0.65:1.00.

8.07 Compliance with ERISA.

Terminate, or permit any of its ERISA Affiliates to terminate, any Pension Plan so as to result in any direct liability of such Borrower or any Principal Subsidiary to the PBGC in an amount greater than the Threshold Amount, or (b) permit to exist any occurrence of any Reportable Event which, alone or together with any other Reportable Event with respect to the same or another Pension Plan, has a

reasonable possibility of resulting in direct liability of such Borrower or any Subsidiary to the PBGC in an aggregate amount exceeding the Threshold Amount, or any other event or condition that presents a material risk of such a termination by the PBGC of any Pension Plan or has a reasonable possibility of resulting in a liability of such Borrower or any Subsidiary to the PBGC or a Multiemployer Plan in an aggregate amount exceeding the Threshold Amount.

8.08 Interests in Nuclear Plants.

Acquire any nuclear plant or any interest therein not held on the date hereof, other than so called “power entitlements” acquired for use in the ordinary course of business.

8.09 Financing Agreements.

With respect to each Borrower only, permit any Principal Subsidiary to enter into any agreement, contract, indenture or similar obligation, or issue any security (all of the foregoing being referred to as “Financing Agreements”), that is not in effect on the date hereof, or amend or modify any existing Financing Agreement, if the effect of such Financing Agreement (or amendment or modification thereof) is to impose any additional restriction not in effect on the date hereof on the ability of such Principal Subsidiary to pay dividends to the applicable Borrower; provided, that the foregoing shall not restrict the right of any Principal Subsidiary of any Borrower created to hold generating or transmission assets, to enter into any such Financing Agreement in connection with the incurrence of Indebtedness that is nonrecourse to such Borrower and is incurred to acquire, construct or otherwise develop generating or transmission assets.

8.10 Sanctions.

Directly or indirectly, use any Borrowing or the proceeds of any Borrowing, or lend, contribute or otherwise make available such Borrowing or the proceeds of any Borrowing to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Arranger, Administrative Agent, Swing Line Lender, or otherwise) of Sanctions.

8.11 Anti-Corruption Laws.

Directly or indirectly, use any Borrowing or the proceeds of any Borrowing for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

9.01 Events of Default.

Any of the following shall constitute an Event of Default with respect to any particular Borrower:

(a) Non-Payment. Such Borrower fails to pay (i) when and as required to be paid herein any amount of principal of any Loan, or (ii) within five (5) days after the same becomes due, any interest on any Loan, or any fee due hereunder, or (iii) within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document,

whether at the stated maturity or any accelerated date of maturity or at any other date fixed

for payment; or

(b) Specific Covenants. Such Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02(a), 7.03(a), 7.05, 7.10, or 7.11 or Article VIII; or

(c) Other Defaults. Such Borrower fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after written notice from the Administrative Agent; or

(d) Representations and Warranties. Any representation or warranty, made or deemed made by or on behalf of such Borrower or any Principal Subsidiary herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or, with respect to any representation and warranty that is expressly qualified by materiality, in any respect) when made or deemed made; or

(e) Cross-Default. (i) Such Borrower or any Principal Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise and after giving effect to applicable grace periods) in respect of any Indebtedness (other than (x) Indebtedness of such Borrower under this Agreement, but including, with respect to Eversource, Indebtedness of its Principal Subsidiaries hereunder and (y) Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Indebtedness to be demanded (or commitments to lend with respect to such Indebtedness to be terminated) or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from any event of default under such Swap Contract as to which such Borrower or any Principal Subsidiary is the Defaulting Party (as defined in such Swap Contract) the Swap Termination Value owed by such Borrower or such Principal Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. Such Borrower or any of its Principal Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for ninety (90) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and

continues undismissed or unstayed for ninety (90) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Such Borrower or any Principal Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of such Borrower and its Principal Subsidiaries and is not released, vacated or fully bonded within ninety (90) days after its issue or levy; or

(h) Judgments. There is entered against such Borrower or any Principal Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order and not stayed within thirty (30) days, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in direct liability of such Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) such Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the obligations under this Agreement, ceases to be in full force and effect; or such Borrower or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or such Borrower denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control with respect to such Borrower.

9.02

Remedies Upon Event of Default.

If any Event of Default with respect to any Borrower occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions with respect to such Borrower:

(a) declare the commitment of each Lender to make Loans to such Borrower to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable by such Borrower hereunder or under any other Loan Document to be immediately due and payable, without presentment,

demand, protest or other notice of any kind, all of which are hereby expressly waived by such Borrower;

(c) exercise on behalf of itself and the Lenders all rights and remedies against such Borrower and its property available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to such Borrower or any of its Principal Subsidiaries under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans to such Borrower shall automatically terminate, the unpaid principal amount of all outstanding Loans of such Borrower and all interest and other amounts as aforesaid of such Borrower shall automatically become due and payable without further act of the Administrative Agent or any Lender.

9.03 Application of Funds.

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations of any Borrower shall be applied by the Administrative Agent to the then outstanding Obligations of such Borrower in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders) arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Third held by them;

Fourth, to payment of that portion of the Obligations constituting accrued and unpaid principal of the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to such Borrower or as otherwise required by Law.

ARTICLE X

ADMINISTRATIVE AGENT

10.01 Appointment and Authority.

Each of the Lenders hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the

Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and no Borrower shall have rights as a third party beneficiary of any of such provisions.

10.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.03 Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by a Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the

covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.05 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

10.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrowers so long as no Event of Default has occurred and continues, which consent shall not be unreasonably withheld or delayed, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by

applicable Law by notice in writing to the Borrowers and such Person remove such Person as the Administrative Agent and, with the consent of the Borrowers so long as no Event of Default has occurred and continues, which consent shall not be unreasonably withheld or delayed, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent’s resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by or removal of Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation or removal as Swing Line Lender. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender, and (b) the retiring Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents.

10.07 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

10.09 Administrative Agent May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Borrower or therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrowers and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that

(a) no such amendment, waiver or consent shall:

(i) extend (except as provided for in Section 2.17) or increase the Revolving Commitment of a Lender (or reinstate any Revolving Commitment terminated pursuant to Section 9.02) without the written consent of such Lender whose Revolving Commitment is being extended or increased (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or a mandatory

reduction in Revolving Commitments is not considered an extension or increase in Revolving Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Revolving Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Revolving Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrowers to pay interest at the Default Rate;

(iv) change any provision of this Section 11.01(a) or the definition of "Required Lenders" without the written consent of each Lender;

(v) change Section 2.13 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(b) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement; and

(c) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document;

provided, however, that notwithstanding anything to the contrary herein, (i) the Fee Letters may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, (iv) the Required Lenders shall determine whether or not to allow a Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders, (v) subject to Section 2.17, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Borrowers and the relevant Lenders providing such additional credit facilities (x) to add one or more additional credit facilities to this Agreement, to permit the extensions of credit from time to time outstanding hereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents and the Loans and the accrued interest and fees in respect thereof and to include appropriately the Lenders holding such

credit facilities in any determination of the Required Lenders and (y) to change, modify or alter Section 2.13 or Section 9.03 or any other provision hereof relating to the pro rata sharing of payments among the Lenders solely to the extent necessary to effectuate any of the amendments (or amendments and restatements) enumerated in this clause (v) and for no other purpose, and (vi) if following the Effective Date, the Administrative Agent and the Borrowers shall have jointly identified an inconsistency, obvious error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrowers shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

11.02 Notices and Other Communications; Facsimile Copies.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any Borrower, the Administrative Agent or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to a Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of

an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE.” THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to any Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Borrower’s or the Administrative Agent’s transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each Borrower, the Administrative Agent and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrowers, the Administrative Agent and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to any Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Revolving Loan Notices, Swing Line Loan Notices and Prepayment Notices) purportedly given by or on

behalf of any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03

No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrowers or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 9.02 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Swing Line Lender) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Borrower under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04

Expenses; Indemnity; and Damage Waiver.

(a) Costs and Expenses. Each of the Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender (including the reasonable fees, charges and disbursements of one counsel and, to the extent reasonably necessary, special and one local counsel in each jurisdiction for the Administrative Agent and for all of the Lenders as a group (and in the event of any actual or potential conflict of interest, one additional counsel for the Administrative Agent and/or each

Lender subject to such conflict)) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrowers. Each of the Borrowers shall indemnify the Administrative Agent (and any sub-agent thereof), each Joint Lead Arranger, each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and reasonable related expenses (including the reasonable fees, charges and disbursements of one counsel and, to the extent reasonably necessary, special and one local counsel in each jurisdiction for the Indemnitees (and in the event of any actual or potential conflict of interest, one additional counsel for the Administrative Agent and/or each Lender subject to such conflict)) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by a Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to a Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Reimbursement by Lenders. To the extent that any of the Borrowers for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Borrower shall assert, and each Borrower hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the

transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof.

No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor. Payment obligations of the Borrowers under this Section 11.04 shall be subject to Section 11.19.

(f) Survival. The agreements in this Section shall survive (i) the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Revolving Commitments and the repayment, satisfaction or discharge of all the other Obligations and (ii) the repayment of Obligations and the termination of rights and of any Borrower pursuant to Section 2.06.

11.05

Payments Set Aside.

To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06

Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Revolving Commitment and the Loans (including for purposes of this subsection (b), participations in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Revolving Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Revolving Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 in the case of an assignment of Revolving Loans unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, each Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of each Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment in respect of the Revolving Commitment subject to such assignment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Commitment.

(iii) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together

with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(iv) No Assignment to Certain Persons. No such assignment shall be made (A) to any Borrower or any of the Borrowers' Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to a natural person.

(v) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of each Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the applicable Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender

pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by any Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person, a Defaulting Lender or any Borrower or any of the Borrowers’ Affiliates or Subsidiaries) (each, a “Participant”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitment and/or the Loans (including such Lender’s participations in Swing Line Loans) owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (v) of Section 11.01(a) that affects such Participant. Subject to subsection (e) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register. No sale of a participation shall be effective unless and until it has been recorded in the Participant Register as provided in this paragraph (d).

(e) Limitation on Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with each Borrower’s prior written consent.

Furthermore, a Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Resignation as Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Loans pursuant to subsection (b) above, Bank of America may, upon thirty (30) days' notice to the Borrowers, resign as Swing Line Lender. In the event of any such resignation as Swing Line Lender, the Borrowers shall be entitled to appoint from among the Lenders a successor Swing Line Lender hereunder; provided, however, that no failure by the Borrowers to appoint any such successor shall affect the resignation of Bank of America as Swing Line Lender, as the case may be. If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender, as the case may be.

Notice by the Administrative Agent to the Borrowers of any assignment made under this Section 11.06 shall be provided as may be agreed in writing from time to time between the Borrowers and the Administrative Agent.

11.07

Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it or its Affiliates (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to a Borrower and its obligations, (g) with the consent of each Borrower, (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than any Borrower, (i) to rating agencies if requested or required by such agency in

78

connection with a rating relating to the Loans hereunder and (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement.

For purposes of this Section, "Information" means all information received from a Borrower or any Subsidiary relating to the Borrowers or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender on a nonconfidential basis prior to disclosure by such Borrower or any Subsidiary, provided that, in the case of information received from a Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning any Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

11.08

Set-off.

If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrowers and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09

Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In

determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10

Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11

Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

11.12

Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13

Replacement of Lenders.

If (i) any Lender requests compensation under Section 3.04, (ii) any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) a Lender (a “Non-Consenting Lender”) does not consent to a proposed change, waiver, discharge or termination with respect to any Loan Document that has been approved by

the Required Lenders as provided in Section 11.01 but requires unanimous consent of all Lenders or all Lenders directly affected thereby (as applicable), (iv) any Lender is a Non-Extending Lender pursuant to Section 2.17(b) or (v) any Lender is a Defaulting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the rights and restrictions contained in, and consents required by, Section 11.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the applicable Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to one hundred percent (100%) of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of any such assignment resulting from a Non-Consenting Lender’s or a Non-Extending Lender’s failure to consent to a proposed change, waiver, discharge or termination with respect to any Loan Document, the applicable replacement bank, financial institution or Fund consents to the proposed change, waiver, discharge or termination; provided that the failure by such Non-Consenting Lender or such Non-Extending Lender, as applicable, to execute and deliver an Assignment and Assumption shall not impair the validity of the removal of such Non-Consenting Lender or such Non-Extending Lender and the mandatory assignment of such Non-Consenting Lender’s or such Non-Extending Lender’s, as applicable, Revolving Commitments and outstanding Loans and participations in Swing Line Loans pursuant to this Section 11.13 shall nevertheless be effective without the execution by such Non-Consenting Lender or such Non-Extending Lender, as applicable, of an Assignment and Assumption.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

81

(b) SUBMISSION TO JURISDICTION. EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15

Waiver of Right to Trial by Jury.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

82

11.16

Electronic Execution.

The words “delivery,” “execute,” “execution,” “signed,” “signature,” and words of like import in any Loan Document or any other document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

11.17

JSA PATRIOT Act.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Borrower in accordance with the Act. Each Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

11.18

No Advisory or Fiduciary Relationship.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Joint Lead Arrangers and the Lenders, are arm's-length commercial transactions between the Borrowers and their Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers and the Lenders, on the other hand, (ii) each Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) the Administrative Agent, the Joint Lead Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for any Borrower or any of Affiliates or any other Person and (ii) none of the Administrative Agent, the Joint Lead Arrangers and the Lenders has any obligation to any Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent, the Joint Lead Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and none of the Administrative Agent, the Joint Lead Arrangers and the Lenders has any obligation to disclose any of such interests to any Borrower or its Affiliates. To the fullest extent

83

permitted by law, each Borrower hereby waives and releases, any claims that it may have against the Administrative Agent, any Joint Lead Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19

Pro Rata Shares of Obligations of Borrowers.

Each Borrower shall be liable for its pro rata share of any payment to be made by the Borrowers under Sections 3.01, 3.04, 3.05, and 11.04, such pro rata share to be determined on the basis of such Borrower's Facility Percentage; provided, however, that if and to the extent that any such liabilities are reasonably determined by the Borrowers (subject to the approval of the Administrative Agent, which approval shall not be unreasonably withheld) to be directly attributable to a specific Borrower, only such Borrower shall be liable for such payments.

11.20

Limitation of Liability.

No shareholder or trustee of Eversource shall be held to any liability whatever for the payment of any sum of money or for damages or otherwise under any Loan Document, and such Loan Documents shall not be enforceable against any such shareholder or trustee in its or his or her individual capacity and such Loan Documents shall be enforceable against the trustees of Eversource only in such trustee capacity, and every person, firm, association, trust or corporation having any claim or demand arising under such Loan Documents and relating to Eversource, its shareholders or trustees shall look solely to the trust estate of Eversource for the payment or satisfaction thereof.

11.21

New Lenders.

From and after the Effective Date, by execution of this Agreement, each Person identified as a “Lender” on each signature page that is not already a Lender under the Existing Credit Agreement hereby acknowledges, agrees and confirms that, by its execution of this Agreement, such Person will be deemed to be a party to this Agreement and a “Lender” for all purposes of this Agreement, and shall have all of the obligations of a Lender hereunder as if it had executed the Existing Credit Agreement. Such Person hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions applicable to the Lenders contained in this Agreement.

11.22

Amendment and Restatement.

The parties hereto agree that, on the Effective Date, the following transactions shall be deemed to occur automatically, without further action by any party hereto: (a) the Existing Credit Agreement shall be deemed to be amended and restated in its entirety pursuant to this Agreement; (b) all Obligations under the Existing Credit Agreement outstanding on the Effective Date shall in all respects be continuing and shall be deemed to Obligations outstanding hereunder, except as modified hereby; and (c) all references in the other Loan Documents to the Existing Credit Agreement shall be deemed to refer without further amendment to this Agreement.

[SIGNATURE PAGES FOLLOW]

84

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER: EVERSOURCE ENERGY,
An unincorporated voluntary business association organized under the
Laws of the Commonwealth of Massachusetts

NSTAR GAS COMPANY,
a Massachusetts corporation

THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: /S/ PHILIP J. LEMBO
Name: Philip J. Lembo
Title: Vice President and Treasurer

EVERSOURCE ENERGY

EVERSOURCE ENERGY
AMENDED AND RESTATED CREDIT AGREEMENT

ADMINISTRATIVE
AGENT:

BANK OF AMERICA N.A.,
As Administrative Agent

By: /S/ MOLLIE S. CANUP
Name: Mollie S. Canup
Title: Vice President

EVERSOURCE ENERGY
AMENDED AND RESTATED CREDIT AGREEMENT

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender and as Swing Line Lender

By: /S/ J. B. MEANOR II
Name: JB Meanor
Title: Managing Director

BARCLAYS BANK PLC,
as a Lender

By: /S/ VANESSA A. KURBATSKIY
Name: Vanessa a. Kurbatskiy
Title: Vice President

CITIBANK, N.A.,
as a Lender

By: /S/ DAMIEN LIPKE

Name: Damien Lipke
Title: Vice President

THE BANK OF TOKYO MITSUBISHI UFJ, LTD.,
as a Lender

By: /S/ JEFF FESENMAIER
Name: Jeff Fesenmaier
Title: Managing Director

EVERSOURCE ENERGY
AMENDED AND RESTATED CREDIT AGREEMENT

WELLS FARGO BANK, N.A.,
as a Lender

By: /S/ NICK BROKKE
Name: Nick Brokke
Title: Vice President

MIZUHO BANK, LTD.,
as a Lender

By: /S/ LEON MO
Name: Leon Mo
Title: Authorized Signatory

TD BANK, N.A.,
as a Lender

By: /S/ SHANNON BATCHMAN
Name: Shannon Batchman
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /S/ JAMES O'SHAUGHNESSY
Name: James O'Shaughnessy
Title: Vice President

EVERSOURCE ENERGY
AMENDED AND RESTATED CREDIT AGREEMENT

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /S/ PETER CHRISTENSEN
Name: Peter Christensen
Title: Vice President

GOLDMAN SACHS BANK USA,
as a Lender

By: /S/ REBECCA KRATZ
Name: Rebecca Kratz
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /S/ LISA A. RYDER
Name: Lisa A. Ryder
Title: Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /S/ BEN THOMAS
Name: Ben Thomas
Title: Authorized Signatory

EVERSOURCE ENERGY
AMENDED AND RESTATED CREDIT AGREEMENT

THE BANK OF NEW YORK MELLON,
as a Lender

By: /S/ RICHARD K. FRONAPFEL, JR.
Name: Richard K. Fronapfel, Jr.
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,

By: /S/ THOMAS E. REDMOND
Name: Thomas E. Redmond
Title: Senior Vice President

CORAM AG

COBANK, ACB,
as a Lender

By: /s/ JOSH BATCHELDER
Name: Josh Batchelder
Title: Vice President

EVERSOURCE ENERGY
AMENDED AND RESTATED CREDIT AGREEMENT

Schedule 2.01

REVOLVING COMMITMENTS AND APPLICABLE PERCENTAGES

| Lenders | Revolving Commitment | Applicable Percentage |
|----------------------------------------|----------------------|-----------------------|
| Bank of America, N.A. | \$103,026,315.78 | 7.105263157% |
| Barclays Bank PLC | \$103,026,315.79 | 7.105263158% |
| Citibank, N.A. | \$103,026,315.79 | 7.105263158% |
| Bank of Tokyo-Mitsubishi UFJ, Ltd. | \$103,026,315.79 | 7.105263158% |
| Wells Fargo Bank, National Association | \$103,026,315.79 | 7.105263158% |
| Mizuho Bank, Ltd. | \$103,026,315.79 | 7.105263158% |
| TD Bank, N.A. | \$103,026,315.79 | 7.105263158% |
| U.S. Bank National Association | \$103,026,315.79 | 7.105263158% |
| JPMorgan Chase Bank, N.A. | \$91,578,947.37 | 6.315789474% |
| Goldman Sachs Bank USA | \$91,578,947.37 | 6.315789474% |
| KeyBank National Association | \$91,578,947.37 | 6.315789474% |
| Royal Bank of Canada | \$91,578,947.37 | 6.315789474% |
| The Bank of New York Mellon | \$91,578,947.37 | 6.315789474% |
| PNC Bank, National Association | \$91,578,947.37 | 6.315789474% |
| Cobank, ACB | \$76,315,789.47 | 5.263157893% |
| Total: | \$1,450,000,000.00 | 100.000000000% |

Schedule 6.11

TAX SHARING AGREEMENTS

Third Amended and Restated Tax Allocation Agreement dated as of April 10, 2012, among Eversource Energy and its direct and indirect subsidiaries.

Schedule 6.13

SUBSIDIARIES

(a) Principal Subsidiaries

- 1) NSTAR Gas Company
- 2) NSTAR Electric Company
- 3) The Connecticut Light and Power Company
- 4) Public Service Company of New Hampshire
- 5) Western Massachusetts Electric Company
- 6) Yankee Gas Services Company

| Name | Class of Stock | Number of Shares | Owner |
|------------------------------------------------------|----------------|------------------|-------------------------------------------------------------------------------------------|
| NSTAR Gas Company | Common Stock | 2,857,000 | Eversource Energy |
| NSTAR Electric Company ¹ | Common Stock | 100 | Eversource Energy |
| The Connecticut Light and Power Company ² | Common Stock | 6,035,205 | Eversource Energy |
| Public Service Company of New Hampshire | Common Stock | 301 | Eversource Energy |
| Western Massachusetts Electric Company | Common Stock | 434,653 | Eversource Energy |
| Yankee Gas Services Company | Common Stock | 1,000 | Eversource Energy (by and through its wholly-owned subsidiary Yankee Energy System, Inc.) |

(b) Equity Interests of Borrowers (other than Eversource)

| Name | Class of Stock | Number of Shares | Owner |
|-----------------------------------------|-----------------|------------------|-----------------------|
| NSTAR Gas Company | Common Stock | 2,857,000 | Eversource Energy |
| The Connecticut Light and Power Company | Common Stock | 6,035,205 | Eversource Energy |
| | Preferred Stock | 2,324,000 | Third Party Investors |
| Public Service Company of New Hampshire | Common Stock | 301 | Eversource Energy |
| Western Massachusetts Electric Company | Common Stock | 434,653 | Eversource Energy |

¹ There are 430,000 issued and outstanding shares of preferred stock held by third party investors. The preferred stockholders are not presently entitled to vote, but would become entitled to vote for the election of directors upon certain events of default.

² There are 2,324,000 issued and outstanding shares of preferred stock held by third party investors. The preferred stockholders are not presently entitled to vote, but would become entitled to vote for the election of directors upon certain events of default.

| Name | Class of Stock | Number of Shares | Owner |
|-----------------------------|----------------|------------------|-------------------------------------------------------------------------------------------|
| Yankee Gas Services Company | Common Stock | 1,000 | Eversource Energy (by and through its wholly-owned subsidiary Yankee Energy System, Inc.) |

Schedule 6.18

TAXPAYER AND ORGANIZATIONAL IDENTIFICATION NUMBERS; LEGAL NAME; STATE
OF FORMATION; PRINCIPAL PLACE OF BUSINESS

| Taxpayer Identification Number | Legal Name | State of Formation | Principal Place of Business |
|-------------------------------------------|--------------------------------------------|-------------------------------|-----------------------------------------------------|
| 04-2147929 | Eversource Energy | MA | 300 Cadwell Drive Springfield, MA 01104 |
| 04-1989250 | NSTAR Gas Company | MA | 800 Boylston Street Boston, MA 02199 |
| 06-0303850 | The Connecticut Light and Power Company | CT | 107 Selden Street Berlin, CT 06037 |
| 02-0181050 | Public Service Company of New Hampshire | NH | 780 North Commercial Street Manchester, NH 03101 |
| 04-1961130 | Western Massachusetts Electric Company | MA | 300 Cadwell Drive, Springfield, MA 01104 |
| 06-0835504 | Yankee Gas Services Company | CT | 107 Selden Street Berlin, CT 06037 |

Schedule 8.01

LIENS EXISTING ON THE EFFECTIVE DATE

None.

Schedule 11.02

CERTAIN ADDRESSES FOR NOTICES

1. Borrowers

Eversource Energy
One NSTAR Way
Westwood, MA 02090
Attn: Philip Lembo, Vice President and Treasurer

2. Administrative Agent

For payments and Requests for Credit Extensions:

Bank of America, N.A.
One Independence Center
101 North Tryon St.
NC1-001-05-46
Charlotte, NC 28255-0001
Attention: James Hood III
Telephone: 980-386-4308
Telecopier: 704-409-0599
Electronic Mail: james.p.hood_III@baml.com

Account Information (for U.S. Dollars):

Bank of America, N.A.
New York, New York
ABA #: 026 009 593
Acct.#: 1366212250600
Account Name: Credit Services
Ref: Eversource Energy

For all other Notices (Financial Statements, Compliance Certificates):

Bank of America, N.A.
Agency Management - East
900 W Trade Street
NC1-026-06-03
Charlotte, NC 28255
Attention: Melissa Mullis
Telephone: 980-386-9372
Telecopier: 704-409-0617
Electronic Mail: Melissa.mullis@baml.com

3. Swing Line Lender:

Bank of America, N.A.
One Independence Center
101 North Tryon St.
NC1-001-05-46

Charlotte, NC 28255-0001
Attention: James Hood III
Telephone: 980-386-4308
Telecopier: 704-409-0599
Electronic Mail: james.p.hood_III@baml.com

Account Information (for U.S. Dollars):

Bank of America, N.A.
New York, New York
ABA #: 026 009 593
Acct.#: 1366212250600
Account Name: Credit Services
Ref: Eversource Energy

Exhibit 2.02(a)

[FORM OF] LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower". Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned hereby requests (select one):

☐ A Borrowing of a Revolving Loan

☐ A conversion or continuation of a Revolving Loan

1. On _____ (a Business Day).
2. In the amount of _____¹
\$ _____
3. Comprised _____²
of _____ [Type of
Loan requested]
4. For Eurodollar Rate Loans: with an Interest Period of ____ months.³
5. For the following Borrower: _____.

The Borrowing, if any, requested herein (i) complies with the provisos to the first sentence of Section 2.01 of the Credit Agreement and (ii) the applicable Borrower hereby represents and warrants that each of the conditions set forth in Section 5.02 of the Credit Agreement have been satisfied on and as of the date of such Borrowing.

¹ In the case of a Eurodollar Rate Borrowing, not less than \$5,000,000 or a larger multiple of \$1,000,000; in the case of a Base Rate Borrowing, not less than \$5,000,000 or a larger multiple of \$1,000,000.

² Eurodollar Rate Loans or Base Rate Loans.

³ Which must comply with the definition of "Interest Period" and end not later than the Revolving Loan Maturity Date.

[Signature Page(s) Follow]

[LOAN NOTICE TO BE SIGNED BY APPLICABLE BORROWER ONLY]

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____
Name:
Title:]

[NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

[PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____
Name:
Title:]

[WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

Exhibit 2.04(b)

[FORM OF] SWING LINE LOAN NOTICE

Date: _____, _____

FOR VALUE RECEIVED, _____ (the "Borrower")

To: Bank of America, N.A., as Swing Line Lender
Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower". Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned hereby requests a Swing Line Loan:

1. On _____ (a Business Day).
2. In the amount of \$ _____ .¹
3. For the following Borrower: _____.

The Swing Line Borrowing requested herein (i) complies with the requirements of the provisos to the first sentence of Section 2.04(a) of the Credit Agreement and (ii) the applicable Borrower hereby represents and warrants that each of the conditions set forth in Section 5.02 of the Credit Agreement have been satisfied on and as of the date of such Swing Line Borrowing.

[Signature Page(s) Follow]

¹ Not less than \$500,000 or a larger multiple of \$100,000.

[SWING LINE LOAN NOTICE TO BE SIGNED BY APPLICABLE BORROWER ONLY]

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____
Name:
Title:]

[NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

[PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____
Name:
Title:]

[WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

Exhibit 2.05

[FORM OF] PREPAYMENT NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower". Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

This Prepayment Notice is delivered to you pursuant to Section 2.05 of the Credit Agreement. The undersigned hereby gives notice of a prepayment of Loans as follows:

1. ☐ Revolving Loans ☐ Swing Line Loans
2. On _____ (a Business Day).
3. In the amount of \$ _____.¹
4. For Revolving Loans: comprised of _____.² [Type
of Loan]
5. For Eurodollar Rate Loans: with an Interest Period ending _____, 20__.
6. For the following Borrower: _____.

This Prepayment Notice and prepayment contemplated hereby comply with the Credit Agreement, including Section 2.05 of the Credit Agreement.

[Signature Page(s) Follow]

¹ In the case of a Eurodollar Rate Loan, not less than \$2,000,000 or a larger multiple of \$1,000,000; in the case of a Base Rate Loan, not less than \$1,000,000 or a larger multiple of \$500,000; in the case of a Swing Line Loan, not less than \$500,000 or a larger multiple of \$100,000.

² Eurodollar Rate Loans or Base Rate Loans.

[PREPAYMENT NOTICE TO BE SIGNED BY APPLICABLE BORROWER ONLY]

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____
Name:
Title:]

[NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

[PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____
Name:
Title:]

[WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

[FORM OF] [AMENDED AND RESTATED] REVOLVING NOTE

FOR VALUE RECEIVED, _____ (the "Borrower")¹, hereby promises to pay to _____ or its registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Revolving Loan from time to time made by the Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among the Borrower, the other Borrowers party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Loan from the date of such Revolving Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the Default Rate.

This Revolving Note is one of the Revolving Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Revolving Note shall become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Revolving Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Revolving Note and endorse thereon the date, amount and maturity of its Revolving Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Revolving Note.

THIS REVOLVING NOTE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS REVOLVING NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[This Revolving Note amends and restates, and is given in replacement of, and not in payment of, that certain Revolving Note, dated as of July 25, 2012 (the "Existing Note"), given by the Borrower in favor of the Lender and is in no way intended, and shall not be deemed or construed, to constitute a novation of the Existing Note.]

¹ Each Borrower will execute an individual Revolving Note for each Lender.

[REVOLVING NOTE TO BE SIGNED BY APPLICABLE BORROWER ONLY]

IN WITNESS WHEREOF, the Borrower has caused this Revolving Note to be duly executed by its duly authorized officer as of the day and year first above written.

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____
Name:
Title:]

[NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

[PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____
Name:
Title:]

[WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

Exhibit 2.11(a)-2

[FORM OF] AMENDED AND RESTATED SWING LINE NOTE

FOR VALUE RECEIVED, _____ (the "Borrower"¹, hereby promises to pay to Bank of America, N.A. or its registered assigns (the "Swing Line Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Swing Line Loan from time to time made by the Swing Line Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among the Borrower, the other Borrowers party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Swing Line Loan from the date of such Swing Line Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest shall be made to the Swing Line Lender in Dollars in immediately available funds at the location designated by the Swing Line Lender. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the Default Rate.

This Swing Line Note is one of the Swing Line Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Swing Line Note shall become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Swing Line Loans made by the Swing Line Lender shall be evidenced by one or more loan accounts or records maintained by the Swing Line Lender in the ordinary course of business. The Swing Line Lender may also attach schedules to this Swing Line Note and endorse thereon the date, amount and maturity of its Swing Line Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Swing Line Note.

THIS SWING LINE NOTE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SWING LINE NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

This Swing Line Note amends and restates, and is given in replacement of, and not in payment of, that certain Swing Line Note, dated as of July 25, 2012 (the "Existing Note"), given by the Borrower in favor of the Lender and is in no way intended, and shall not be deemed or construed, to constitute a novation of the Existing Note.

¹ Each Borrower will execute an individual Swing Line Note.

[SWING LINE NOTE TO BE SIGNED BY APPLICABLE BORROWER ONLY]

IN WITNESS WHEREOF, the Borrower has caused this Swing Line Note to be duly executed by its duly authorized officer as of the day and year first above written.

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____
Name:
Title:]

[NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

[PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____
Name:
Title:]

[WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:]

[YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

Exhibit 3.01(e)-1

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower".

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____, 20__

Exhibit 3.01(e)-2

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower".

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20__

Exhibit 3.01(e)-3

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower".

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20__

Exhibit 3.01(e)-4

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the “Credit Agreement”), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts (“Eversource”), NSTAR Gas Company, a Massachusetts corporation (“NSTAR Gas”), The Connecticut Light and Power Company, a Connecticut corporation (“CL&P”), Public Service Company of New Hampshire, a New Hampshire corporation (“PSNH”), Western Massachusetts Electric Company, a Massachusetts corporation (“WMECO”), and Yankee Gas Services Company, a Connecticut corporation (“Yankee Gas”), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the “Borrowers” and each individually a “Borrower”.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____, 20__

Exhibit 7.02(a)

[FORM OF] COMPLIANCE CERTIFICATE

Financial Statement Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("Eversource"), NSTAR Gas Company, a Massachusetts corporation ("NSTAR Gas"), The Connecticut Light and Power Company, a Connecticut corporation ("CL&P"), Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH"), Western Massachusetts Electric Company, a Massachusetts corporation ("WMECO"), and Yankee Gas Services Company, a Connecticut corporation ("Yankee Gas"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. Each of NSTAR Gas, CL&P, PSNH, WMECO and Yankee Gas is doing business as Eversource Energy and, together with Eversource, are referred to collectively herein as the "Borrowers" and each individually a "Borrower". Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of [BORROWER], and that, as such, he/she is authorized to execute and deliver this Compliance Certificate (this "Certificate") to the Administrative Agent on the behalf of [BORROWER], and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. [BORROWER] has delivered the year-end audited financial statements required by Section 7.01(a) of the Credit Agreement for the fiscal year of [BORROWER] ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. [BORROWER] has delivered the unaudited financial statements required by Section 7.01(b) of the Credit Agreement for the fiscal quarter of [BORROWER] ended as of the above date. Such financial statements fairly present in all material respects the financial condition, results of operations, shareholders' equity and cash flows of [BORROWER] and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of [BORROWER] during the accounting period covered by such financial statements.

3. A review of the activities of [BORROWER] during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period [BORROWER] performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period [BORROWER] performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default or Event of Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, during such fiscal period the following covenants or conditions have not been performed or observed and the following is a list of each such Default or Event of Default and its nature and status:]

4. The financial covenant analyses and information set forth on Schedule 1 attached hereto are true and accurate on and as of the date of this Certificate.

5. There has been [no] change in GAAP or the application thereof since the date of the most recent financial statements delivered pursuant to Section 7.01(a) of the Credit Agreement. *[If any change in GAAP has occurred, please specify the effect of such change on the financial statements accompanying this certificate].*

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the undersigned Borrower has executed this Certificate as of

_____, _____.

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____

Name:

Title:]

[NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____

Name:

Title:]

[THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____

Name:

Title:]

[PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____

Name:

Title:]

[WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____

Name:

Title:]

[YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____

Name:

Title:]

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.]¹ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the respective facilities identified below (including, without limitation, the Swing Line Loans included in such facilities²) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

¹ Include bracketed language if there are either multiple Assignors or multiple Assignees.

² Include all applicable subfacilities.

3. Borrowers: Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts, and, doing business as Eversource Energy, NSTAR Gas Company, a Massachusetts corporation, The Connecticut Light and Power Company, a Connecticut corporation, Public Service Company of New Hampshire, a New Hampshire corporation, Western Massachusetts Electric Company, a Massachusetts corporation, and Yankee Gas Services Company, a Connecticut corporation
4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement: Amended and Restated Credit Agreement, dated as of October 26, 2015, among the Borrowers, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent
6. Assigned Interest[s]:

FOR VALUE RECEIVED, _____ (the "Borrower") FOR VALUE RECEIVED,
 _____ (the "Borrower")

| <u>Assignor[s]</u> | <u>Assignee[s]</u> | Aggregate Amount of Revolving Commitments for all Lenders ³ | Amount of Revolving Commitments <u>Assigned</u> | Percentage Assigned of Revolving Commitments ⁴ | <u>CUSIP Number</u> |
|--------------------|--------------------|------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------|-------------------------|
| | | \$ | \$ | % | |
| | | \$ | \$ | % | |
| | | \$ | \$ | % | |

[7. Trade Date: _____]⁵

Effective Date: _____, 20__ [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]

[NAME OF ASSIGNOR]

By: _____

Name:

Title:

ASSIGNEE[S]

³ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁴ Set forth, to at least 9 decimals, as a percentage of the Revolving Commitments of all Lenders thereunder.

⁵ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and]⁶ Accepted:

BANK OF AMERICA, N.A., as Administrative Agent

By: _____
Name:
Title:

Consented to:]⁷

[BANK OF AMERICA, N.A., as Swing Line Lender]

By: _____
Name:
Title:

[EVERSOURCE ENERGY,
an unincorporated voluntary business association organized
under the laws of the Commonwealth of Massachusetts

By: _____
Name:
Title:

NSTAR GAS COMPANY,
a Massachusetts corporation

By: _____:
Name:
Title:

THE CONNECTICUT LIGHT AND POWER COMPANY,
a Connecticut corporation

By: _____

⁶ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁷ To be added only if the consent of the Borrowers and/or other parties (e.g. Swing Line Lender) is required by the terms of the Credit Agreement.

Name:
Title:

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
a New Hampshire corporation

By: _____
Name:
Title:

WESTERN MASSACHUSETTS ELECTRIC COMPANY,
a Massachusetts corporation

By: _____
Name:
Title:

YANKEE GAS SERVICES COMPANY,
a Connecticut corporation

By: _____
Name:
Title:]

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.06(b)(ii) and (iv) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.06(b)(ii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of

interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Assignment and Assumption and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

Published CUSIP Numbers: 67020NAC8 (Facility)
67020NAD6 (Revolver)

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of October 26, 2015

among

NSTAR ELECTRIC COMPANY
(DOING BUSINESS AS EVERSOURCE ENERGY),
as the Borrower,

BARCLAYS BANK PLC,
as Administrative Agent and Swing Line Lender,

and

THE OTHER LENDERS PARTY HERETO

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
BARCLAYS BANK PLC,
CITIGROUP GLOBAL MARKETS INC.,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
WELLS FARGO SECURITIES, LLC,
MIZUHO BANK, LTD.,
TD SECURITIES (USA) LLC
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Bookrunners

BANK OF AMERICA, N.A.,
as Syndication Agent

CITIBANK, N.A.,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
MIZUHO BANK, LTD.,
TD BANK, N.A.
and
U.S. BANK NATIONAL ASSOCIATION,
as Co-Documentation Agents

TABLE OF CONTENTS

| | | |
|--------------|--------------------------------------------------------------|----|
| ARTICLE I. | DEFINITIONS AND ACCOUNTING TERMS | 6 |
| 1.01 | Defined Terms. | 6 |
| 1.02 | Other Interpretive Provisions. | 23 |
| 1.03 | Accounting Terms. | 23 |
| 1.04 | Rounding. | 24 |
| 1.05 | Times of Day. | 24 |
| 1.06 | Rates. | 24 |
| ARTICLE II. | THE COMMITMENTS AND BORROWINGS | 24 |
| 2.01 | Revolving Commitments. | 24 |
| 2.02 | Borrowings, Conversions and Continuations of Loans. | 25 |
| 2.03 | [Reserved]. | 26 |
| 2.04 | Swing Line Loans. | 26 |
| 2.05 | Prepayments. | 28 |
| 2.06 | Termination or Reduction of Aggregate Revolving Commitments. | 29 |
| 2.07 | Repayment of Loans. | 30 |
| 2.08 | Interest. | 30 |
| 2.09 | Fees. | 31 |
| 2.10 | Computation of Interest and Fees. | 31 |
| 2.11 | Evidence of Debt. | 31 |
| 2.12 | Payments Generally; Administrative Agent's Clawback. | 32 |
| 2.13 | Sharing of Payments by Lenders. | 34 |
| 2.14 | Cash Collateral. | 34 |
| 2.15 | Defaulting Lenders. | 35 |
| 2.16 | Additional Revolving Commitments. | 37 |
| 2.17 | Extension of Revolving Loan Maturity Date. | 37 |
| ARTICLE III. | TAXES, YIELD PROTECTION AND ILLEGALITY | 39 |
| 3.01 | Taxes. | 39 |
| 3.02 | Illegality. | 44 |
| 3.03 | Inability to Determine Rates. | 44 |
| 3.04 | Increased Costs. | 45 |
| 3.05 | Compensation for Losses. | 46 |
| 3.06 | Mitigation Obligations; Replacement of Lenders. | 47 |
| 3.07 | Survival. | 47 |
| 3.08 | Withholding Taxes. | 47 |
| ARTICLE IV. | [RESERVED] | 47 |
| ARTICLE V. | CONDITIONS PRECEDENT TO BORROWINGS | 47 |
| 5.01 | Conditions of Initial Borrowings. | 47 |
| 5.02 | Conditions of all Borrowings. | 49 |
| ARTICLE VI. | REPRESENTATIONS AND WARRANTIES | 50 |
| 6.01 | Existence, Qualification and Power. | 50 |
| 6.02 | Authorization; No Contravention. | 50 |
| 6.03 | Governmental Authorization; Other Consents | 50 |
| 6.04 | Binding Effect | 51 |
| 6.05 | Financial Statements; No Material Adverse Effect | 51 |

| | | |
|---------------|--------------------------------------------------------------|----|
| 6.06 | Litigation. | 51 |
| 6.07 | No Default. | 51 |
| 6.08 | Ownership of Property; Liens. | 52 |
| 6.09 | Environmental Compliance. | 52 |
| 6.10 | Insurance. | 52 |
| 6.11 | Taxes. | 52 |
| 6.12 | ERISA Compliance. | 52 |
| 6.13 | Subsidiaries. | 53 |
| 6.14 | Use of Proceeds; Margin Regulations; Investment Company Act. | 53 |
| 6.15 | Disclosure. | 54 |
| 6.16 | Compliance with Laws. | 54 |
| 6.17 | Solvency. | 54 |
| 6.18 | Taxpayer Numbers and Other Information. | 54 |
| 6.19 | Sanctions Concerns and Anti-Corruption Laws. | 54 |
| ARTICLE VII. | AFFIRMATIVE COVENANTS | 55 |
| 7.01 | Financial Statements. | 55 |
| 7.02 | Certificates; Other Information. | 56 |
| 7.03 | Notices. | 57 |
| 7.04 | Payment of Taxes. | 58 |
| 7.05 | Preservation of Existence, Etc. | 58 |
| 7.06 | Maintenance of Properties. | 58 |
| 7.07 | Maintenance of Insurance. | 58 |
| 7.08 | Compliance with Laws. | 58 |
| 7.09 | Books and Records. | 59 |
| 7.10 | Inspection Rights. | 59 |
| 7.11 | Use of Proceeds. | 59 |
| 7.12 | Further Assurances. | 59 |
| 7.13 | Conduct of Business. | 59 |
| 7.14 | Governmental Approvals. | 59 |
| 7.15 | Anti-Corruption Laws. | 60 |
| ARTICLE VIII. | NEGATIVE COVENANTS | 60 |
| 8.01 | Liens. | 60 |
| 8.02 | Fundamental Changes. | 62 |
| 8.03 | Change in Nature of Business. | 62 |
| 8.04 | Transactions with Affiliates and Insiders. | 62 |
| 8.05 | Use of Proceeds. | 63 |
| 8.06 | Consolidated Indebtedness to Capitalization Ratio. | 63 |
| 8.07 | Compliance with ERISA. | 63 |
| 8.08 | Interests in Nuclear Plants. | 63 |
| 8.09 | Financing Agreements. | 63 |
| 8.10 | Sanctions. | 63 |
| 8.11 | Anti-Corruption Laws. | 64 |
| ARTICLE IX. | EVENTS OF DEFAULT AND REMEDIES | 64 |
| 9.01 | Events of Default. | 64 |
| 9.02 | Remedies Upon Event of Default. | 66 |
| 9.03 | Application of Funds. | 66 |
| ARTICLE X. | ADMINISTRATIVE AGENT | 67 |

| | | |
|---------------------------|---------------------------------------------------------|----|
| 10.01 | Appointment and Authority. | 67 |
| 10.02 | Rights as a Lender. | 67 |
| 10.03 | Exculpatory Provisions. | 67 |
| 10.04 | Reliance by Administrative Agent. | 68 |
| 10.05 | Delegation of Duties. | 68 |
| 10.06 | Resignation of Administrative Agent. | 69 |
| 10.07 | Non-Reliance on Administrative Agent and Other Lenders. | 70 |
| 10.08 | No Other Duties; Etc. | 70 |
| 10.09 | Administrative Agent May File Proofs of Claim. | 70 |
| ARTICLE XI. MISCELLANEOUS | | 71 |
| 11.01 | Amendments, Etc. | 71 |
| 11.02 | Notices and Other Communications; Facsimile Copies. | 72 |
| 11.03 | No Waiver; Cumulative Remedies; Enforcement. | 74 |
| 11.04 | Expenses; Indemnity; and Damage Waiver. | 75 |
| 11.05 | Payments Set Aside. | 76 |
| 11.06 | Successors and Assigns. | 77 |
| 11.07 | Treatment of Certain Information; Confidentiality. | 80 |
| 11.08 | Set-off. | 81 |
| 11.09 | Interest Rate Limitation. | 82 |
| 11.10 | Counterparts; Integration; Effectiveness. | 82 |
| 11.11 | Survival of Representations and Warranties. | 82 |
| 11.12 | Severability. | 82 |
| 11.13 | Replacement of Lenders. | 83 |
| 11.14 | Governing Law; Jurisdiction; Etc. | 84 |
| 11.15 | Waiver of Right to Trial by Jury. | 85 |
| 11.16 | Electronic Execution. | 85 |
| 11.17 | USA PATRIOT Act. | 85 |
| 11.18 | No Advisory or Fiduciary Relationship. | 86 |
| 11.21 | New Lenders. | 86 |
| 11.22 | Amendment and Restatement. | 86 |

SCHEDULES

| | |
|-------|-----------------------------------------------------------------------------------------------------------------|
| 2.01 | Revolving Commitments and Applicable Percentages |
| 6.11 | Tax Sharing Agreements |
| 6.13 | Subsidiaries |
| 6.18 | Taxpayer and Organizational Identification Numbers; Legal Name; State of Formation; Principal Place of Business |
| 8.01 | Liens Existing on the Effective Date |
| 11.02 | Certain Addresses for Notices |

EXHIBITS

| | |
|-------------|-------------------------------------------|
| 2.02(a) | Form of Revolving Loan Notice |
| 2.04(b) | Form of Swing Line Loan Notice |
| 2.05 | Form of Prepayment Notice |
| 2.11(a)-1 | Form of Revolving Note |
| 2.11(a)-2 | Form of Swing Line Note |
| 3.01(e)-1-4 | Forms of U.S. Tax Compliance Certificates |
| 7.02(a) | Form of Compliance Certificate |
| 11.06(b) | Form of Assignment and Assumption |

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of October 26, 2015 among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the “Borrower”), the Lenders (defined herein) and BARCLAYS BANK PLC, as Administrative Agent and Swing Line Lender.

The Borrower has requested that the Lenders provide \$450,000,000 in revolving credit facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

This Agreement is given in amendment to, restatement of and substitution for the Existing Credit Agreement (as hereinafter defined).

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

“Additional Arranger Fee Letter” means the letter agreement, dated as of October 26, 2015 among Eversource, the Borrower, Citigroup Global Markets Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Wells Fargo Securities, LLC, Mizuho Bank, Ltd., TD Securities (USA) LLC and U.S. Bank National Association.

“Additional Commitment Lender” has the meaning specified in Section 2.17(d).

“Administrative Agent” means Barclays in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Lenders. The aggregate principal amount of the Aggregate Revolving Commitments in effect on the Effective Date is FOUR HUNDRED FIFTY MILLION DOLLARS (\$450,000,000).

“Agreement” means this Amended and Restated Credit Agreement.

“Applicable Margin” means, with respect to Revolving Loans, Swing Line Loans and the Facility Fee, for any day, the following percentages per annum in effect on such day, based upon the Reference Rating of the Borrower:

| Pricing Level | Reference Rating | Eurodollar Rate Loans | Base Rate Loans | Facility Fee |
|---------------|------------------|-----------------------|-----------------|--------------|
| 1 | ≥A+/A1 | 0.800% | 0.000% | 0.075% |
| 2 | A/A2 | 0.900% | 0.000% | 0.100% |
| 3 | A-/A3 | 1.000% | 0.000% | 0.125% |
| 4 | BBB+/Baa1 | 1.075% | 0.075% | 0.175% |
| 5 | BBB/Baa2 | 1.275% | 0.275% | 0.225% |
| 6 | ≤BBB-/Baa3 | 1.475% | 0.475% | 0.275% |

Any increase or decrease in the Applicable Margin resulting from a change in any Reference Rating shall take effect at the time of such change in such Reference Rating. For purposes of the foregoing, (x) in the case of a split in the Reference Ratings of one level, the higher level shall apply, (y) in the case of a split in the Reference Ratings of more than one level, the Reference Rating that is one level lower than the higher level shall apply, and (z) if there is no Reference Rating then the rating Pricing Level 6 shall apply.

“Applicable Percentage” means with respect to any Lender at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time, subject to adjustment as provided in Section 2.15; provided that if the commitment of each Lender to make Revolving Loans has been terminated in its entirety pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approving Lenders” has the meaning specified in Section 2.17(e).

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit 11.06(b) or any other form approved by the Administrative Agent.

“Audited Financial Statements” means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal years ended December 31, 2012, December 31, 2013 and December 31, 2014 and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of such Person, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

“Availability Period” means, with respect to the Revolving Commitments, the period from and including the Effective Date to the earliest of (a) the Revolving Loan Maturity Date and (b) the date of

termination in full of the remaining unused portion of the Aggregate Revolving Commitments pursuant to Section 2.06.

“Bank of America” means Bank of America, N.A. and its successors.

“Barclays” means Barclays Bank PLC and its successors.

“Barclays Agency Fee Letter” means the letter agreement, dated as of October 1, 2015 among the Borrower and Barclays.

“Bank of America and Barclays Fee Letter” means the letter agreement, dated as of October 1, 2015 among Eversource, the Borrower, Bank of America, Barclays and MLPFS.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus one-half of one percent (0.50%), (b) the “prime rate” and (c) the Eurodollar Rate plus one percent (1.00%), and if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. The “prime rate” is the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent).

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Borrower” has the meaning specified in the introductory paragraph hereto.

“Borrower Materials” has the meaning specified in Section 7.02.

“Borrower Secured Debt” has the meaning specified in the definition of “Reference Ratings”.

“Borrower Unsecured Debt” has the meaning specified in the definition of “Reference Ratings”.

“Borrowing” means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04 and (b) a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located or New York and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent or Swing Line Lender (as applicable) and the Lenders, as collateral for Obligations in respect of Swing Line Loans or obligations of Lenders to fund participations in respect of Swing Line Loans, cash or deposit account balances or, if the Swing Line Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the Swing Line Lender. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Certifying Officer” has the meaning specified in Section 7.02(b).

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means the occurrence of any of the following events,

(a) (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) either (A) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire (such right, an “option right”), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than fifty percent (50%) of the Equity Interests of Eversource entitled to vote for trustees of Eversource or equivalent governing body of Eversource on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) or (B) obtains the power (whether or not exercised) to elect a majority of Eversource’s trustees; or

(ii) the board of trustees of Eversource shall not consist of a majority of Continuing Trustees. For purposes of this definition, the term “Continuing Trustees” means trustees of Eversource on the date hereof and each other trustee of Eversource, if such other trustee’s nomination for election to the board of trustees of Eversource is recommended by a majority of the then Continuing Trustees.

(b) Eversource shall cease to own and control, of record and beneficially, free and clear of all Liens except for Liens permitted under Section 8.01 of the Eversource Credit Agreement, one hundred percent (100%) of the outstanding Equity Interests of the Borrower entitled to vote (currently exercisable in the case of any preferred Equity Interests) for the election of directors; or

(c) the Borrower shall cease to own and control, of record and beneficially, free and clear of all Liens except for Liens permitted under Section 8.01, eighty-five percent (85%) of the outstanding Equity Interests entitled to vote (currently exercisable in the case of any preferred Equity Interests) for the election of directors of any Principal Subsidiary.

“Compliance Certificate” has the meaning specified in Section 7.02(b).

“Consolidated Capitalization” means, at any date of determination, the sum of (a) Consolidated Indebtedness of the Borrower, (b) the aggregate of the par value of, or stated capital represented by, the

outstanding shares of all classes of common and preferred shares of the Borrower and its Subsidiaries excluding, however, from such calculation, amounts identified as “Accumulated Other Comprehensive Income (Loss)” in the financial statements of the Borrower set forth in the Borrower’s Report on Form 10-K or 10-Q, as the case may be, most recently filed with the SEC prior to the date of such determination and (c) the consolidated surplus of the Borrower and its Subsidiaries, paid-in, earned and other capital, if any, in each case as determined on a consolidated basis in accordance with GAAP.

“Consolidated Indebtedness” means Indebtedness of the Borrower and its Subsidiaries on a consolidated basis determined in accordance with GAAP, excluding, however, from such calculation, (a) in the case of Refinancing Indebtedness, any amounts as to which the Borrower or its Subsidiaries have, (i) in accordance with the terms of the applicable agreements, and on or prior to the date of incurring such Refinancing Indebtedness, sent the holders of the Indebtedness to be refinanced, or their trustee, as applicable, a notice of redemption and (ii) within fourteen (14) days after incurrence of such Refinancing Indebtedness, segregated with the trustee therefor or with such other financial institution as may be acceptable to the Administrative Agent, in accordance with the terms of the applicable agreements relating to such Indebtedness, sufficient funds to redeem such Indebtedness and fully discharge the Borrower’s obligations with respect thereto.

“Consolidated Indebtedness to Capitalization Ratio” means, as of any date of determination, the ratio of (a) Consolidated Indebtedness to (b) Consolidated Capitalization.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate equal to (a) the Base Rate plus (b) the Applicable Margin, if any, applicable to Base Rate Loans plus (c) two percent (2%) per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus two percent (2%) per annum, in each case to the fullest extent permitted by applicable Laws.

“Defaulting Lender” means any Lender, as determined by the Administrative Agent, that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Revolving Loans or participations in respect of Swing Line Loans, within three (3) Business Days of the date required to be funded by it hereunder, unless (other than in respect of fundings of participations of Swing Line Loans)

such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect with respect to its funding obligations hereunder (unless (other than in respect of fundings of participations of Swing Line Loans) such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied) or under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interests in that Lender or any direct or indirect parent company thereof by a Governmental Authority. Such Lender shall cease to be a Defaulting Lender when the provisions of Section 2.15(b) shall have been satisfied.

2.13(b) shall have been satisfied.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory is the subject of any Sanction.

“Disclosure Documents” means for the Borrower and each Principal Subsidiary, as applicable: (a) such Person’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014; (b) its Quarterly Reports on Form 10-Q for the fiscal quarter ended June 30, 2015; and (c) such Person’s Current Reports on Form 8-K filed after December 31, 2014 but prior to the date hereof.

“Dollar” and “\$” mean lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

“DPU” means the Massachusetts Department of Public Utilities and any successor agency thereto.

“Effective Date” means the date hereof.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.06(b)(ii) and (iv) (subject to such consents, if any, as may be required under Section 11.06(b)(ii)).

“Environmental Laws” means any and all federal, state, local, foreign and other applicable statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

11

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section

4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Sections 4041 of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042(a)(1)-(a)(3) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA in a manner that would affect the Borrower's ability to perform its Obligations hereunder; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate in a manner that would affect the Borrower's ability to perform its Obligations hereunder.

"Eurodollar Base Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR"), or a comparable or successor rate which rate is approved by the Administrative Agent as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the "LIBOR Rate") at or about 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

12

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the LIBOR Rate, at or about 11:00 a.m., London time, two (2) Business Days prior to such date for Dollar deposits with a term of one (1) month commencing that day;

provided that: (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Eurodollar Rate" means (a) for any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Eurodollar Rate Loan for such Interest Period by (ii) one minus the Eurodollar Reserve Percentage for such Eurodollar Rate Loan as in effect from time to time during such Interest Period and (b) for any day with respect to any Base Rate Loan bearing interest at a rate based on the Eurodollar Rate, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Base Rate Loan for such day by (ii) one minus the Eurodollar Reserve Percentage for such Base Rate Loan for such day.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate".

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for

determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”). The Eurodollar Rate for each outstanding Eurodollar Rate Loan and for each outstanding Base Rate Loan the interest on which is determined by reference to the Eurodollar Rate, in each case, shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

“Event of Default” has the meaning specified in Section 9.01.

“Eversource” means Eversource Energy, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts.

“Eversource Credit Agreement” means that certain Amended and Restated Credit Agreement dated as of the date hereof by and among Eversource, NSTAR Gas Company, a Massachusetts corporation, The Connecticut Light and Power Company, a Connecticut corporation, Public Service Company of New Hampshire, a New Hampshire corporation, Western Massachusetts Electric Company, a Massachusetts corporation, and Yankee Gas Services Company, a Connecticut corporation, as borrowers, the lenders party thereto and Bank of America, as administrative agent, as amended or modified from time to time.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its overall income (however denominated), and franchise (and similar) Taxes imposed on it (in lieu of income Taxes), (i) by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located or (ii) as a result of a present or

13

former connection between such recipient and the jurisdiction of the Governmental Authority imposing such Tax (other than a connection arising solely from such recipient having executed, delivered, become a party to, perform its obligations under, received a payment under, received or perfected a security interest under or engaged in any other transaction pursuant to or enforced under any Loan Document), (b) any branch profits Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction in which the Borrower is located, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 11.13), any United States withholding Tax that is required to be imposed on amounts payable to such Foreign Lender pursuant to the Laws in force at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office or changes its place of organization), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment) or change in its place of organization, to receive additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 3.01(a)(i) or (c), (d) Taxes attributable to such recipient's failure or inability to comply with Section 3.01(e) and (e) any U.S. federal withholding taxes imposed under FATCA.

“Existing Credit Agreement” means that certain Credit Agreement dated July 25, 2012 by and among the Borrower, the lenders party thereto and Barclays, as administrative agent.

“Facility Fee” has the meaning set forth in Section 2.09(a).

“FATCA” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any intergovernmental agreements entered into pursuant to such provisions of the Internal Revenue Code.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall

be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Barclays on such day on such transactions as determined by the Administrative Agent.

“Fee Letters” means the Bank of America and Barclays Fee Letter, the Additional Arranger Fee Letter and the Barclays Agency Fee Letter.

“FERC” means the Federal Energy Regulatory Commission or any successor agency thereto.

“Financing Agreements” has the meaning specified in Section 8.09.

“Foreign Lender” means any Lender that is not a U.S. Person.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to the Swing Line Lender, such Defaulting Lender’s Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

14

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

“Governmental Approval” means any authorization, consent, approval, license, permit, certificate, exemption of, or filing or registration with, any governmental authority or other legal regulatory body (including, without limitation, the SEC, FERC, the Nuclear Regulatory Commission, the Connecticut Public Utility Regulatory Authority, the New Hampshire Public Utilities Commission and the DPU) required in connection with (i) the execution, delivery or performance of any Loan Document, or (ii) the nature of the Borrower’s or any Subsidiary’s business as conducted or the nature of the property owned or leased by it.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature identified as hazardous, dangerous or toxic and regulated pursuant to any Environmental Law.

“Impacted Loans” has the meaning specified in Section 3.03.

“Indebtedness” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money or for the deferred purchase price of property or services other than (i) trade accounts payable and (ii) any obligation of such Person to Dominion Resources, Inc. or its successor with respect to disposition of spent nuclear fuel burned prior to April 3, 1983, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments (excluding Stranded Cost Recovery Obligations that are non-recourse to such Person), (c) all

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case having the force of law.

16

“Lenders” means each of the Persons identified as a “Lender” on the signature pages hereto and their successors and assigns and, as the context requires, includes the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan or Swing Line Loan.

“Loan Documents” means this Agreement, each Note and any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement.

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Long-Term Indebtedness Approvals” has the meaning specified in the definition of “Revolving Loan Maturity Date”.

“Material Adverse Effect” means, with respect to the Borrower, (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties or financial condition of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under the Loan Documents or of the ability of the Borrower to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document to which it is a party.

“MLPFS” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Non-Consenting Lender” has the meaning set forth in Section 11.13.

“Non-Extending Lender” has the meaning specified in Section 2.17(b).

“Note” or “Notes” means the Revolving Notes or the Swing Line Note, individually or collectively, as appropriate.

“Notice Date” has the meaning specified in Section 2.17(b).

“Obligations” means, without duplication, all of the obligations of the Borrower to the Lenders and the Administrative Agent, whenever arising, under this Agreement, any Notes or any of the other Loan Documents.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document. For the avoidance of doubt, “Other Taxes” shall not include any Excluded Taxes.

“Outstanding Amount” means with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in Section 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to minimum funding standards under Section 412 of the Internal Revenue Code.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Platform” has the meaning specified in Section 7.02.

“Prepayment Notice” means a notice of prepayment pursuant to Section 2.05(a), which shall be substantially in the form of Exhibit 2.05 or such other form as may be reasonably approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as

shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“Principal Subsidiary” means (a) any Subsidiary that during any fiscal quarter, with respect to the Borrower and its Subsidiaries taken as a whole, represents at least (i) ten percent (10%) of the Borrower’s consolidated assets (calculated as an average of such consolidated assets over the preceding four fiscal quarters) and (ii) ten percent (10%) of the Borrower’s consolidated net income

preceding four fiscal quarters; and (ii) ten percent (10%) of the Borrower's consolidated net income (or loss) (calculated as a sum of such net income (or loss) over the preceding four fiscal quarters), whether such Subsidiary is owned directly or indirectly by the Borrower or (b) any Person deemed to be a "Principal Subsidiary" pursuant to Section 8.02.

"Public Lender" has the meaning specified in Section 7.02.

"Recipient" means the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder.

"Reference Ratings" means the rating(s) assigned by S&P and/or Moody's to the long-term senior unsecured non-credit enhanced debt (the "Borrower Unsecured Debt") of the Borrower; provided, that:

(a) if neither S&P nor Moody's maintains a rating on the Borrower Unsecured Debt of the Borrower because no such Borrower Unsecured Debt is outstanding, then the "Reference Ratings" shall be based on the rating(s) assigned by S&P and/or Moody's to the long-term senior secured debt (the "Borrower Secured Debt") of the Borrower, but such rating(s) shall be deemed to correspond to a Pricing Level that is one level lower than the level that would correspond to such Borrower Secured Debt rating(s) pursuant to the definition of "Applicable Margin";

(b) if neither S&P nor Moody's (A) maintains a rating on the Borrower Unsecured Debt of the Borrower because no such Borrower Unsecured Debt is outstanding and (B) maintains a rating on the Borrower Secured Debt of the Borrower because no such Borrower Secured Debt is outstanding, then the "Reference Ratings" shall be based on the Borrower's long-term corporate/issuer rating(s) as maintained by S&P and/or Moody's.

"Refinancing Indebtedness" means Consolidated Indebtedness incurred for the purpose of refinancing existing Consolidated Indebtedness.

"Register" has the meaning specified in Section 11.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

"Request for Borrowing" means (a) with respect to a Borrowing, conversion or continuation of Revolving Loans, a Revolving Loan Notice and (b) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders. The Total Credit Exposure of

any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that the amount of any participation in any Swing Line Loan that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender in making such determination.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of the Borrower and, solely for purposes of the delivery of certificates pursuant to Section 5.01, the secretary or any assistant secretary of the Borrower. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

"Revolving Commitment" means as to each Lender its obligation to (a) make Revolving

Revolving Commitment means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01 and (b) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the sum of (i) the aggregate Outstanding Amount of such Lender's Revolving Loans at such time plus (ii) such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time.

"Revolving Loan" has the meaning specified in Section 2.01.

"Revolving Loan Notice" means a notice of (a) a Borrowing of Revolving Loans, (b) a conversion of Revolving Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, in each case pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit 2.02(a) or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

"Revolving Loan Maturity Date" means (a) the later of (i) September 4, 2020 and (ii) with respect to some or all of the Lenders if the Revolving Loan Maturity Date is extended pursuant to Section 2.17, such extended Revolving Loan Maturity Date or (b) such earlier date on which the Loans are due and payable pursuant to the terms of this Agreement; provided, that if the Borrower is unable to obtain all required Governmental Approvals, such approvals to be reasonably satisfactory to the Administrative Agent, for the Borrower's incurrence of indebtedness payable more than one (1) year from the incurrence thereof ("Long-Term Indebtedness Approvals") prior to the initial making of any Loan hereunder, then the Revolving Loan Maturity Date for the Borrower shall be the date that is the 364th day to occur following the date of the initial Borrowing by the Borrower hereunder (the "364-Day Maturity Date"), provided that in no event shall the 364-Day Maturity Date be later than

the Revolving Loan Maturity Date set forth in clause (a) above; provided further that if the Borrower shall obtain such Long-Term Indebtedness Approvals prior to the 364-Day Maturity Date, then, at the request of the Borrower and provided that (x) no Default or Event of Default exists with respect to the Borrower and (y) the representations and warranties of the Borrower contained in Article VI (other than Sections 6.05(c) and 6.06) or in any other Loan Document shall be true and correct in all material respects on and as of the date, such 364-Day Maturity Date shall automatically extend to the extent permitted by such Governmental Approval but in no event later than the Revolving Loan Maturity Date set forth in clause (a) above.

“Revolving Note” has the meaning specified in Section 2.11(a).

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of McGraw-Hill Financial Inc., and any successor thereto.

“Sanctions” means any international economic sanction administered or enforced by the United States government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Solvent” or “Solvency” means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, including contingent obligations as they mature, (b) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital, (c) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person and (d) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Stranded Cost Recovery Obligations” means, with respect to any Person, such Person’s obligations to make principal, interest or other payments to the issuer of stranded cost recovery bonds pursuant to a loan agreement or similar arrangement whereby the issuer has loaned the proceeds of such bonds to such Person.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement, but excluding in all instances obligations under default service and standard offer power supply agreements entered into in the ordinary course of business.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swing Line Lender” means Barclays in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

“Swing Line Loan” has the meaning specified in Section 2.04(a).

“Swing Line Loan Notice” means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit 2.04(b) or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“Swing Line Note” has the meaning specified in Section 2.11(a).

“Swing Line Sublimit” means an amount equal to the lesser of (a) \$50,000,000 and (b) the Aggregate Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Synthetic Lease” means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Threshold Amount” means \$50,000,000.

“364-Day Maturity Date” has the meaning specified in the definition of “Revolving Loan Maturity Date”.

“Total Credit Exposure” means, as to any Lender at any time, the unused Revolving Commitments and Revolving Credit Exposure of such Lender at such time.

“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans and all Swing Line Loans.

“Type” means, with respect to any Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

“United States” and “U.S.” mean the United States of America.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(III).

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.”

Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03

Accounting Terms.

(a) Generally. Except as otherwise specifically prescribed herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted

23

pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements; provided, however, that calculations of attributable Indebtedness under any Synthetic Lease or the implied interest component of any Synthetic Lease shall be made by the Borrower in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) FASB ASC 825 and FASB ASC 470-20. Notwithstanding the above, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at one hundred percent (100%) of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

1.04

Rounding.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 Rates.

The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

ARTICLE II.

THE COMMITMENTS AND BORROWINGS

2.01 Revolving Commitments.

24

Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a “Revolving Loan”) to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (a) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (b) the Revolving Credit Exposure of any Lender shall not exceed such Lender’s Revolving Commitment. Within the limits of each Lender’s Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein, provided, however, all Borrowings made on the Effective Date shall be made as Base Rate Loans.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower’s irrevocable notice to the Administrative Agent, which may be given by (a) a Revolving Loan Notice or (b) telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans prior to the end of the applicable Interest Period, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a Revolving Loan Notice. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Except as provided in Section 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Revolving Loan Notice and each telephonic notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of a Loan in a Revolving Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any Revolving Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Revolving Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans as described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent’s Office not later than 1:00 p.m. on the Business Day specified in the applicable Revolving Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Borrowing, Section 5.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the

Administrative Agent either by (i) crediting the account of the Borrower on the books of Barclays with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of the Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Barclays' prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than eight (8) Interest Periods in effect with respect to all Loans.

2.03 [Reserved].

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, shall make loans (each such loan, a "Swing Line Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, and provided, further, that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (a) a Swing Line Loan Notice or (b) telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 2:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of \$500,000 and integral multiples of \$100,000 in excess thereof, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan

Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably requests and authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Revolving Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 5.02 (other than the delivery of a Revolving Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Revolving Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Revolving Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Revolving Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in

accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such purchase or funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination thereof.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) Voluntary Prepayments.

(i) Revolving Loans. The Borrower may, upon delivery of a Prepayment Notice from the Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans, in whole or in part without premium or penalty; provided that (A) such Prepayment Notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans (prior to the end of an applicable Interest Period) and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of Eurodollar Rate Loans shall be in a principal amount of \$2,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (C) any prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such Prepayment Notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such Prepayment Notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such Prepayment Notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such Prepayment Notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(ii) Swing Line Loans. The Borrower may, upon delivery of a Prepayment Notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such Prepayment Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal thereof then outstanding). Each such Prepayment Notice shall specify the date and amount of such prepayment. If such Prepayment Notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such Prepayment Notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or the Swing Line Loans in an aggregate amount equal to such excess.

(ii) Application of Mandatory Prepayments. All amounts required to be paid pursuant to Section 2.05(b)(i) shall be applied ratably to Revolving Loans and Swing Line Loans. Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Aggregate Revolving Commitments.

(a) Optional Reductions. The Borrower shall have the right, upon at least three (3) Business Days' notice to the Administrative Agent, to terminate in whole or, upon same day notice, from time to time to permanently reduce ratably in part the unused portion of the Aggregate Revolving Commitments; *provided* that each partial reduction shall be in the aggregate amount of \$5,000,000 or in an integral multiple of \$1,000,000 in excess thereof. Each such notice of termination or reduction shall be irrevocable; *provided, further*, that, if, after giving effect to any reduction, the Swing Line Sublimit exceeds the amount of the Aggregate Revolving Commitments, such sublimit shall be automatically reduced by the amount of such excess. Any Aggregate Revolving Commitment reduced or terminated pursuant to this Section may not be reinstated.

(b) Notice. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Swing Line Sublimit or the Aggregate Revolving Commitments under this Section 2.06. Upon any reduction of the Aggregate Revolving Commitments, the Revolving Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Aggregate Revolving Commitments accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Revolving Loan Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date within one (1) Business Day of demand therefor by the Swing Line Lender and (ii) the Revolving Loan Maturity Date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin, (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, all outstanding Obligations shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) is not paid when due (after giving effect to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

(a) Facility Fee. The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a facility fee (the “Facility Fee”) at a rate per annum equal to the product of (i) the Facility Fee rate specified in the definition of “Applicable Margin” times (ii) the Aggregate Revolving Commitments. The Facility Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Effective Date, and on the Revolving Loan Maturity Date; provided, that each Defaulting Lender shall be entitled to receive fees payable under this Section 2.09(a) for any period during which that Lender is a Defaulting Lender only to extent allocable to the outstanding principal amount of the Loans funded by it. The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Margin during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(b) Fee Letters. The Borrower shall pay to the Joint Lead Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall be non-refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of interest for Base Rate Loans determined by reference to clause (b) of the definition of “Base Rate” in Section 1.01 shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest (including without limitation computations of interest for Base Rate Loans determined by reference to clauses (a) and (c) of the definition of “Base Rate” in Section 1.01) shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Borrowings made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Borrowings made by the

Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit 2.11(a)-1 (a "Revolving Note") and (ii) in the case of Swing Line Loans, be in the form of Exhibit 2.11(a)-2 (a "Swing Line Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to the definition of "Interest Period", if any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of any Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available

to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent.

Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Borrowing set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall promptly return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in Swing Line Loans held by it (excluding any amounts applied by the Swing Line Lender to outstanding Swing Line Loans) resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14 or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent or the Swing Line Lender, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at the Administrative Agent. The Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent and the Lenders (including the Swing Line Lender) and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash

Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14, Section 2.04, or Section 2.15 in respect of Swing Line Loans shall be held and applied in satisfaction of the specific Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of the Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.14 may be otherwise applied in accordance with Section 9.03) and (y) the Person providing Cash Collateral and the Swing Line Lender may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendment. The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 11.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the Swing Line Lender hereunder; third, if so determined by the Administrative Agent or requested by the Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Line Loan; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of

that Defaulting Lender to fund Loans under this Agreement; sixth, to the payment of any amounts owing to the Lenders, the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to the pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. The Defaulting Lender shall not be entitled to receive any Facility Fee pursuant to Section 2.09(a) for any period during which such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swing Line Loans pursuant to Section 2.04, the "Applicable Percentage" of each non-Defaulting Lender shall be computed without giving effect to the Revolving Commitment of that Defaulting Lender; provided, that, each such reallocation (x) shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default exists; and (y) does not cause the aggregate Revolving Credit Exposure of any non-Defaulting Lender to exceed such non-Defaulting Lender's Revolving Commitment.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Swing Line Lender agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; provided, further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver

or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

2.16 Additional Revolving Commitments.

The Borrower may, at any time and from time to time, upon prior written notice by the Borrower to the Administrative Agent increase the Aggregate Revolving Commitments (but not the Swing Line Sublimit) by a maximum aggregate amount of up to FIFTY MILLION DOLLARS (\$50,000,000) with additional Revolving Commitments from any existing Lender with a Revolving Commitment or new Revolving Commitments from any other Person selected by the Borrower and acceptable to the Administrative Agent and the Swing Line Lender; provided that:

(a) any such increase shall be in a minimum principal amount of \$10,000,000 and in integral multiples of \$5,000,000 in excess thereof;

(b) no Default or Event of Default shall exist and be continuing at the time of any such increase or would result from any Borrowing on the day of such increase;

(c) no existing Lender shall be under any obligation to increase its Revolving Commitment and any such decision whether to increase its Revolving Commitment shall be in such Lender's sole and absolute discretion;

(d) any new Lender shall join this Agreement by executing such joinder documents required by the Administrative Agent and/or any existing Lender electing to increase its Revolving Commitment shall have executed a commitment agreement satisfactory to the Administrative Agent;

(e) any existing Lender or any new Lender providing a portion of the increase in Revolving Commitments shall be reasonably acceptable to the Administrative Agent and the Swing Line Lender; and

(f) as a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent (A) a certificate of the Borrower dated as of the date of such increase (in sufficient copies for each Lender) signed by a Responsible Officer of the Borrower (1) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such increase, and (2) certifying that, before and after giving effect to such increase, the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects on and as of the date of such increase, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.16, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, and (B) legal opinions and other documents reasonably requested by the Administrative Agent.

The Borrower shall prepay any Loans owing by it and outstanding on the date of any such increase (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Loans ratable with any revised Revolving Commitments arising from any nonratable increase in the Revolving Commitments under this Section.

2.17 Extension of Revolving Loan Maturity Date.

(a) Request for Extension. The Borrower may by written notice to the Administrative Agent (who shall promptly notify the Lenders) given not less than forty-five (45) days prior to any anniversary of the Effective Date, request that each Lender extend the Revolving Loan Maturity Date for an additional one (1) year from the then existing Revolving Loan Maturity Date; provided, that the Borrower shall only be permitted to exercise this extension option two (2) times during the term of this Agreement; provided, further, that in no case shall the Revolving Loan Maturity Date exceed five (5) years from any date.

(b) Lenders Election to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than fifteen (15) days following the receipt of notice of such request from the Administrative Agent (the “Notice Date”), advise the Administrative Agent in writing whether or not such Lender agrees to such extension (and each Lender that determines not to so extend its Revolving Loan Maturity Date (a “Non-Extending Lender”) shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrower of each Lender’s determination under this Section 2.17 promptly and in any event no later than the date fifteen (15) days after the Notice Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Borrower shall have the right on or before the applicable anniversary of the Effective Date to replace each Non-Extending Lender with, and add as “Lenders” under this Agreement in place thereof, one or more Eligible Assignees (each, an “Additional Commitment Lender”) as provided in Section 11.13, each of which Additional Commitment Lenders shall have entered into an Assignment and Assumption pursuant to which such Additional Commitment Lender shall, undertake a Revolving Commitment (and, if any such Additional Commitment Lender is already a Lender, its Revolving Commitment shall be in addition to such Lender’s Revolving Commitment hereunder on such date) and shall be a “Lender” for all purposes of this Agreement.

(e) Minimum Extension Requirement. If all of the Lenders agree to any such request for extension of the Revolving Loan Maturity Date then the Revolving Loan Maturity Date for all Lenders shall be extended for the additional one (1) year, as applicable.

If there exists any Non-Extending Lenders that are not being replaced by Additional Commitment Lenders, then the Borrower shall (i) withdraw its extension request and the Revolving Loan Maturity Date will remain unchanged or (ii) provided that the Required Lenders (but for the avoidance of doubt, not including any Additional Commitment Lenders) have agreed to the extension request (such Lenders agreeing to such extension, the “Approving Lenders”) no later than fifteen (15) days prior to such anniversary of the Effective Date, then the Borrower may extend the Revolving Loan Maturity Date solely as to the Approving Lenders and the Additional Commitment Lenders with a reduced amount of Aggregate Revolving Commitments during such extension period equal to the aggregate Revolving Commitments of the Approving Lenders and the Additional Commitment Lenders; it being understood that (A) the Revolving Loan Maturity Date relating to any Non-Extending Lenders not replaced by an Additional Commitment Lender shall not be extended and the repayment of all obligations owed to them and the termination of their Revolving Commitments shall occur on the already existing Revolving Loan Maturity Date and

(B) the Revolving Loan Maturity Date relating to the Approving Lenders and the Additional Commitment Lenders shall be extended for an additional year, as applicable.

(f) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, any extension of the Revolving Loan Maturity Date pursuant to this Section 2.17 shall not be effective with respect to any Lender unless:

(i) on the date of such extension, the conditions for a Borrowing provided in Section 5.02(a) and (b) shall be satisfied;

(ii) the Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower certifying that as of the date of such extension, (A) there are no actions, suits, proceedings, or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Principal Subsidiaries or against any of their properties or revenues that (1) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (2) could reasonably be expected to have a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents and (B) since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents; and

(iii) on the date of such extension, the Borrower shall prepay any Loans outstanding on such date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep outstanding Loans ratable with any revised Applicable Percentages of the respective Lenders effective as of such date.

ARTICLE III.

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or the Borrower, then the Administrative Agent or the Borrower shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the Borrower or the Administrative Agent shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has

received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If the Borrower or the Administrative Agent shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) the Borrower or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Borrower or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Without limiting the provisions of subsection (a) or (b) above, but without duplication, the Borrower shall and does hereby indemnify each Recipient, and shall make payment in respect thereof within ten days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The Borrower shall and does hereby indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (B) the

Administrative Agent and the Borrower, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Borrower, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent or the Borrower in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender; *provided*, that this sentence shall not apply to documentation described in Section 3.01(e)(ii)(C) if such documentation is in substance essentially equivalent to, and not materially more onerous to provide, than the documentation set forth in Section 3.01(e)(ii)(A), (ii)(B), or (ii)(D).

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender

becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable (together with any required schedules and attachments):

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, Internal Revenue Service Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of Internal Revenue Service Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 3.01(e)-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3) (C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY, accompanied by Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.01(e)-2 or Exhibit 3.01(e)-3, Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.01(e)-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Recipient, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the indemnification payments or additional

amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates.

If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a) above, "Impacted Loans"), or (b) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of

the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent upon the instruction of the Required Lenders revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a) of the first sentence of this section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered under the first sentence of this section with respect to the Impacted Loans, (2) the Administrative Agent or any of the affected Lenders notifies the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender reasonably determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate);

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Eurodollar Rate Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (in each case except for Indemnified Taxes and Excluded Taxes); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Revolving Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 Compensation for Losses.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for, and hold such Lender harmless from, any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss (other than any loss of anticipated profits) or expense arising from the liquidation or redeployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations: Replacement of Lenders.

(a) If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay its all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrower may replace such Lender in accordance with Section 11.13.

3.07 Survival.

All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations and resignation of the Administrative Agent.

3.08 Withholding Taxes.

For purposes of determining withholding Taxes imposed under FATCA, from and after the Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans under this Agreement as not qualifying as "grandfathered obligations" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

ARTICLE IV.

[RESERVED]

ARTICLE V.

CONDITIONS PRECEDENT TO BORROWINGS

5.01 Conditions of Initial Borrowings.

This Agreement shall become effective upon, and the obligation of each Lender to make Loans to the Borrower hereunder is subject to, satisfaction of the following conditions precedent:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and a Note for each Lender that has requested a Note, each properly executed by a Responsible Officer of the Borrower and, in the case of this Agreement, by each Lender.

(b) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel to the Borrower, addressed to the Administrative Agent and each Lender, dated as of the Effective Date, and in form and substance reasonably satisfactory to the Administrative Agent.

(c) Financial Statements. The Administrative Agent shall have received:

(i) the Audited Financial Statements; and

(ii) unaudited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal quarter ended June 30, 2015, including balance sheets and statements of income or operations, shareholders' equity and cash flows (the "Interim Financial Statements").

(d) No Material Adverse Change. Since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had a Material Adverse Effect with respect to the Borrower, other than as specifically disclosed in the Disclosure Documents.

(e) Litigation. There shall not exist any action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened in any court or before an arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect, other than as specifically disclosed in the Disclosure Documents.

(f) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals or facsimiles (followed promptly by originals), in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) copies of the Organization Documents of the Borrower certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of the Borrower to be true and correct as of the Effective Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party; and

(iii) such documents and certifications as the Administrative Agent may require to evidence that the Borrower is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(g) Closing Certificate. Receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Borrower certifying that (i) the conditions specified in Sections 5.01(d) and (e) and Sections 5.02(a) and (b) have been satisfied and (ii) the Borrower and its

Subsidiaries (after giving effect to the transactions contemplated hereby and the incurrence of Indebtedness related thereto) are Solvent on a consolidated basis.

(h) OFAC, Patriot Act, Etc. Receipt by the Administrative Agent of all documentation and other information that any Lender has reasonably requested in order to comply with its ongoing obligations under applicable “know your customer”, OFAC and anti-corruption laws, including the Patriot Act.

(i) Repayment of Existing Credit Agreement. Receipt by the Administrative Agent of evidence of the repayment in full of all outstanding amounts under the Existing Credit Agreement.

(j) Fees. Receipt by the Administrative Agent, the Joint Lead Arrangers and the Lenders of any fees required to be paid on or before the Effective Date.

(k) Attorney Costs. The Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(l) Other. Receipt by the Administrative Agent and the Lenders of such other documents, instruments, agreements and information as reasonably requested by the Administrative Agent or any Lender, including, but not limited to, information regarding litigation, tax, accounting, labor, insurance, pension liabilities (actual or contingent), real estate leases, material contracts, debt agreements, property ownership, environmental matters, contingent liabilities and management of the Borrower and its Subsidiaries.

Without limiting the generality of the provisions of the last paragraph of Section 10.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document made available to it for review prior to the Effective Date or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

5.02 Conditions to all Borrowings.

The obligation of each Lender to honor any Request for Borrowing from the Borrower is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower contained in Article VI (other than Sections 6.05(c) and 6.06) or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Borrowing (other than any representation and warranty that is expressly qualified by materiality, in which case such representation and warranty shall be true and correct in all respects), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (other than any representation and warranty that is expressly qualified by materiality, in which case such representation and warranty shall be true and correct

in all respects) as of such earlier date, and except that for purposes of this Section 5.02, the representations and warranties contained in clauses (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.

(b) No Default shall exist, or would result from such proposed Borrowing or from the application of the proceeds thereof, with respect to the Borrower.

(c) The Administrative Agent and, if applicable, the Swing Line Lender shall have received a Request for Borrowing from the Borrower in accordance with the requirements hereof.

Each Request for Borrowing submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Borrowing.

ARTICLE VI.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

6.01 Existence, Qualification and Power.

The Borrower and each Principal Subsidiary thereof (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws; except in each case referred to in clause (b)(i), (c) or (d), to the extent that failure to do so would not have a Material Adverse Effect.

6.02

Authorization; No Contravention.

The execution, delivery and performance by the Borrower of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Principal Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law. The Borrower and its Principal Subsidiaries are in compliance with all Contractual Obligations referred to in clause (b)(i), except to the extent that failure to do so would not have a Material Adverse Effect.

6.03

Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority (including FERC and DPU) is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement or any

other Loan Document, other than those approvals, consents or filings already obtained or made and in full force and effect.

6.04

Binding Effect.

This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower that is party thereto in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights and general principles of equity.

6.05

Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements of the Borrower and its Subsidiaries (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show to the extent required by GAAP all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries dated June 30, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since December 31, 2014, there has been no event or circumstance, either individually or in the aggregate, that has had a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents.

6.06

Litigation.

There are no actions, suits, proceedings, or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Principal Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have a Material Adverse Effect, except as specifically disclosed in the Disclosure Documents.

6.07

No Default.

Neither the Borrower nor any of its Principal Subsidiaries is in default under or with respect to any indebtedness for borrowed money in excess of the Threshold Amount. No Default has occurred and

is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

6.08

Ownership of Property; Liens.

The Borrower and its Principal Subsidiaries have good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not, individually or in the aggregate have a Material Adverse Effect. As of the date of this Agreement, the Borrower and its Principal Subsidiaries enjoy peaceful and undisturbed possession under all leases of real property on which facilities operated by it are situated, and all such leases are valid and subsisting and in full force and effect. The property of the Borrower and its Principal Subsidiaries is subject to no Liens, other than Liens permitted by Section 8.01.

6.09

Environmental Compliance.

The Borrower and its Principal Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that such Environmental Laws and claims would not, individually or in the aggregate have a Material Adverse Effect.

6.10

Insurance.

The properties of the Borrower and its Principal Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Principal Subsidiary operates. All of such policies (a) are in full force and effect, (b) are sufficient for compliance by the Borrower and its Principal Subsidiaries with all written agreements or instruments to which the Borrower or any such Principal Subsidiary is a party and all applicable requirements of law, (c) provide that they will remain in full force and effect through the respective dates set forth in such policies and (d) will not in any way be affected by, or terminate or lapse by reason of, the transactions contemplated by this Agreement. Neither the Borrower nor any of its Principal Subsidiaries is in default with respect to its obligations under any of such insurance policies and have not received any notification of cancellation of any such insurance policies.

6.11

Taxes.

The Borrower and its Principal Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP and those where the failure to file or pay would not have a Material Adverse Effect. There is no unpaid tax claimed by any governmental Authority to be due against the Borrower or its Principal Subsidiaries that would, if made, have a Material Adverse Effect. As of the Effective Date, neither the Borrower nor any of its Principal Subsidiaries is party to any tax sharing agreements other than as set forth on Schedule 6.11.

6.12

ERISA Compliance.

(a) Except as would not reasonably be likely to result in a Material Adverse Effect, each Pension Plan sponsored or maintained by the Borrower is in substantial compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state Laws. Each Pension Plan that is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service or an application for such a letter is currently being processed by the Internal Revenue Service with respect thereto and, to the best knowledge of the Borrower, nothing has occurred which has not been or cannot be corrected that would prevent, or cause the loss of, such qualification. The Borrower, and to the best knowledge of the Borrower, each ERISA Affiliate have made all required contributions to each Pension Plan or, any delinquent contributions, have been corrected pursuant to a government sponsored correction program, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Internal Revenue Code has been made with respect to any Pension Plan.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Pension Plan that would reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Pension Plan that has resulted in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) the Borrower, and to the best knowledge of the Borrower, each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) neither the Borrower, nor to the knowledge of the Borrower, any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (iv) the Borrower, or to the best knowledge of the Borrower, any ERISA Affiliate has not engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

6.13

Subsidiaries.

As of the Effective Date, the Borrower does not have any Principal Subsidiaries other than those specifically disclosed in Part (a) of Schedule 6.13, and all of the outstanding Equity Interests entitled to vote for the election of directors or other governing Persons in such Principal Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Borrower in the amounts specified on Part (a) of Schedule 6.13 free and clear of all Liens. All of the outstanding Equity Interests entitled to vote in the Borrower have been validly issued and are fully paid and nonassessable, and the Equity Interests of the Borrower are owned by Eversource to the extent specified, as of the Effective Date, on Part (b) of Schedule 6.13 free and clear of all Liens.

6.14

Use of Proceeds; Margin Regulations; Investment Company Act.

(a) The proceeds of the Loans will be used for working capital, capital expenditures and other general corporate purposes (including the repayment of Indebtedness). The proceeds of the Loans will not be used in any way which would violate the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System. The Borrower is not engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

53

(b) Neither the Borrower nor any of its Subsidiaries is a “registered investment company” or an “affiliated company” or a “principal underwriter” of a “registered investment company”, as such terms are defined in the Investment Company Act of 1940, as amended.

6.15

Disclosure.

The Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Principal Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6.16

Compliance with Laws.

The Borrower and its Principal Subsidiaries are in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not have a Material Adverse Effect.

6.17

Solvency.

The Borrower, together with its Subsidiaries on a consolidated basis, are and, upon the incurrence of any Borrowing on any date on which this representation and warranty is made, will be, Solvent.

6.18

Taxpayer Numbers and Other Information.

The Borrower’s (a) true and correct U.S. taxpayer identification number, (b) full legal name, (c) state of incorporation, formation or organization and (d) the address of its principal place of business are set forth on Schedule 6.18.

6.19

Sanctions Concerns and Anti-Corruption Laws.

(a) Sanctions Concerns. Neither the Borrower nor any Subsidiary of the Borrower, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction so as to result in a violation of Sanctions.

(b) Anti-Corruption Laws. The Borrower and its Subsidiaries and, to the knowledge of the Borrower and its Subsidiaries, all directors, officers, employees, agents, affiliates and representatives thereof, have conducted their business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar

anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VII.
AFFIRMATIVE COVENANTS

So long as any Lender shall have any commitment hereunder, any Loan or other obligation hereunder shall remain unpaid or unsatisfied, the Borrower hereby agrees that it shall, and shall (except in the case of the covenants set forth in Sections 7.01, 7.02, and 7.03) cause each of its Principal Subsidiaries to:

7.01 Financial Statements.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) with respect to the Borrower, as soon as available, but in any event within one hundred five (105) days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit and to the effect that such financial statements have been prepared in accordance with GAAP applied on a basis consistent with prior years (except as to changes with which such accountants concur and which shall be disclosed in the notes thereto or in a letter) and fairly present in all material respects the financial condition of the Borrower and its Subsidiaries at the dates thereof and the results of its consolidated operations for the periods covered thereby; and

(b) with respect to the Borrower, as soon as available, but in any event within fifty (50) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

As to any information contained in materials furnished pursuant to Section 7.02(d), the Borrower shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in clauses (a) and (b) above at the times specified therein.

7.02

Certificates; Other Information.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a certificate substantially in the form of Exhibit 7.02(a) signed by a Responsible Officer of the Borrower (the "Compliance Certificate") (i) stating that no Default or Event of Default has occurred and is continuing on the date of such certificate, and if a Default or an Event of Default has then occurred and is continuing, specifying the details thereof and the action that the Borrower has taken or proposes to take with respect thereto, (ii) setting forth in reasonable detail computations evidencing compliance with Section 8.06 hereof as determined on the last day of the fiscal quarter immediately preceding the fiscal quarter during which such certifications are to be delivered pursuant to

preceding the fiscal quarter during which such certifications are to be delivered pursuant to this clause (a) and (iii) stating whether any change in GAAP or the application thereof has occurred since the date of the audited financial statements referred to in Section 7.01 and, if any change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(b) concurrently with the delivery of the financial statements referred to in clauses (a) and (b) of Section 7.01, a copy of the certification (if any) signed by the principal executive officer and the principal financial officer of the Borrower (each a “Certifying Officer”) as required by Rule 13A-14 under the Securities Exchange Act of 1934 and a copy of the internal controls disclosure statement by such Certifying Officer as required by Rule 13A-15 under the Securities Exchange Act of 1934, each as included in the Borrower’s Annual Report on Form 10-K or Quarterly Report on Form 10-Q, for the applicable fiscal period;

(c) contemporaneously with the filing or mailing thereof, copies of all financial statements sent by the Borrower to shareholders and all reports, notices, proxy statements or other communications sent by the Borrower to its shareholders, and all reports under Sections 12, 13 and 14 and under any rules promulgated with respect to such sections (including all reports on Forms 8-K, 10-K and 10-Q, along with all amendments and supplements thereto) of the Securities and Exchange Act of 1934, as amended, all Schedules 13D and 13G and all amendments thereto, and registration statements filed by the Borrower with any securities exchange or with the SEC or any successor;

(d) promptly, and in any event within five (5) Business Days after receipt thereof by the Borrower or any Subsidiary thereof, copies of each formal notice received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of the Borrower or such Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect; and

(e) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Principal Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower’s website on the Internet at

the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Borrower’s behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents.

Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Joint Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, “Borrower Materials”) by posting the Borrower Materials

on SyndTrak or another similar electronic system (the “Platform”) and (b) certain of the Lenders may be “public-side” Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a “Public Lender”). The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Borrower shall be deemed to have authorized the Administrative Agent, the Joint Lead Arrangers, and the Lenders to treat such Borrower Materials as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws; (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Investor;” and (z) the Administrative Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Investor.”

7.03

Notices.

Promptly notify the Administrative Agent and each Lender of:

- (a) the occurrence of any Default;
- (b) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including as a result of: (i) breach or non-performance of, or any default under, a Contractual Obligation of the Borrower or any Principal Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any Principal Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any Principal Subsidiary, including pursuant to any applicable Environmental Laws;
- (c) the occurrence of any ERISA Event; and
- (d) any announcement by Moody’s or S&P of any change in a Reference Rating.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04

Payment of Taxes.

Pay and discharge as the same shall become due and payable, all its tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary and all lawful claims which, if unpaid, would by Law become a Lien upon its property, except in each case where the failure to pay such amounts would not have a Material Adverse Effect.

7.05

Preservation of Existence, Etc.

Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.02; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which would not have a Material Adverse Effect.

7.06

Maintenance of Properties.

Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so would not have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities; provided, however, that in each of the foregoing cases described in clauses (a), (b), and (c), neither Borrower nor its Principal Subsidiaries will be prevented from discontinuing the operation and maintenance of any such properties if such discontinuance is, in the reasonable judgment of the Borrower or Principal Subsidiary, as applicable, desirable in the operation or maintenance of its business and would not result, or be reasonably likely to result, in a Material Adverse Effect.

7.07

Maintenance of Insurance.

Maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

7.08

Compliance with Laws.

Comply (a) with the Patriot Act, OFAC rules and regulations and all Sanctions and laws related thereto, (b) in all material respects, with the requirements of all other Laws (including Environmental Laws and anti-money laundering laws) applicable to it or to its business or property, except in such instances in which such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted, (c) all material provisions of its charter documents,

58

by-laws, operating agreement, certificate and other constituent documents, as applicable, and (d) all material applicable decrees, orders, and judgments, except where the failure to comply with clauses (b) through (c) above would not have a Material Adverse Effect.

7.09

Books and Records.

Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Principal Subsidiary, as the case may be, in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

7.10 Inspection Rights.

Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable

advance notice to the Borrower.

7.11 Use of Proceeds.

Use the proceeds of the Borrowings for working capital, capital expenditures and other general corporate purposes (including the repayment of Indebtedness) not in contravention of any Law or of any Loan Document. The proceeds of the Loans will not be used in any way which would violate the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System.

7.12

Further Assurances.

(a) Promptly execute and deliver, or cause to be promptly executed and delivered, all further instruments and documents, and take and cause to be taken all further actions, that may be necessary or that the Required Lenders through the Administrative Agent may reasonably request to enable the Lenders and the Administrative Agent to carry out to their reasonable satisfaction the transactions contemplated by this Agreement and enforce the terms and provisions of this Agreement and to exercise their rights and remedies hereunder or under the Notes, and

(b) Use all commercially reasonable efforts to duly obtain governmental approvals required in connection with this Agreement from time to time on or prior to such date as the same may become legally required, and thereafter to maintain all such governmental approvals in full force and effect.

7.13

Conduct of Business.

Except as permitted by Section 8.02, conduct its primary business in substantially the same manner and in substantially the same fields as such business is conducted on the date hereof.

7.14

Governmental Approvals.

Duly obtain on or prior to such date as the same may become legally required, and thereafter maintain in effect at all times, all Governmental Approvals on its part to be obtained, except in the case of

those Governmental Approvals referred to in clause (ii) of the definition of “Governmental Approval”, (i) those the absence of which could not reasonably be expected to result in a Material Adverse Effect, and (ii) those that the Borrower or such Principal Subsidiary is diligently attempting in good faith to obtain, renew or extend, or the requirement for which the Borrower or such Principal Subsidiary is contesting in good faith by appropriate proceedings or by other appropriate means; provided, however, that the exception afforded by clause (ii), above, shall be available only if and for so long as such attempt or contest, and any delay resulting therefrom, could not reasonably be expected to result in a Material Adverse Effect.

7.15

Anti-Corruption Laws.

Conduct its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VIII.

NEGATIVE COVENANTS

So long as any Lender shall have any Revolving Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Borrower hereby agrees that it shall not, nor shall it permit any of its Principal Subsidiaries to (except in the case of the covenant set forth in Section 8.06, which shall apply only to the Borrower), directly or indirectly:

8.01

Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens granted, incurred or existing in the ordinary course of business not in connection with the borrowing of money or the obtaining of credit and not otherwise described below,

(b) Liens arising in connection with the sale of accounts receivable,

(c) Liens existing on acquired property at the time of acquisition thereof by the Borrower or Subsidiary which liens do not extend to any property other than such acquired properties,

(d) any purchase money Lien or construction mortgage on assets hereafter acquired or constructed by the Borrower or any Subsidiary, and any Lien on any assets existing at the time of acquisition thereof by the Borrower or a Subsidiary or created within one hundred eighty (180) days from the date of completion of such acquisition or construction; provided that such Lien or construction mortgage shall at all times be confined solely to the assets so acquired or constructed and any additions thereto;

(e) Liens existing on the date hereof and disclosed on Schedule 8.01;

(f) [Reserved];

(g) [Reserved];

60

(h) Liens resulting from legal proceedings being contested in good faith by appropriate legal or administrative proceedings by the Borrower or any Subsidiary, and as to which the Borrower or such Subsidiary, to the extent required by GAAP, shall have set aside on its books adequate reserves;

(i) Liens created in favor of the other contracting party in connection with advance or progress payments;

(j) any Liens in favor of any Governmental Authority, or trustee acting on behalf of holders of obligations issued by any Governmental Authority or any financial institutions lending to or purchasing obligations of any Governmental Authority, which Lien is created or assumed for the purpose of financing all or part of the cost of acquiring or constructing the property subject thereto;

(k) Liens resulting from conditional sale agreements, capital leases or other title retention agreements;

(l) with respect to sewage facility and pollution control bond financings, Liens on funds, accounts and other similar intangibles of the Borrower or any Subsidiary created or arising under the relevant indenture, pledges of the related loan agreement with the relevant issuing authority and pledges of the Borrower's or any Subsidiary's interest, if any,

relevant issuing authority and pledges of the Borrower's or any Subsidiary's interest, if any, in any bonds issued pursuant to such financings to a letter of credit bank or bond issuer or similar credit enhancer;

(m) Liens granted on accounts receivable in connection with financing transactions, whether denominated as sales or borrowings;

(n) Liens on the assets of, the stock issued by or other equity of, any Subsidiary of the Borrower created to hold generating or transmission assets if such Liens are created to secure Indebtedness that is nonrecourse to the Borrower and is incurred to acquire, construct or otherwise develop such generating or transmission assets;

(o) Liens created to secure Indebtedness of a transmission company Subsidiary of the Borrower with respect to assets transferred to such transmission company by another Subsidiary of the Borrower;

(p) any extension, renewal or replacement of Liens permitted by clauses (c), (d), (e) and (k) through (n); *provided, however*, that the principal amount of Indebtedness secured thereby shall not, at the time of such extension, renewal or replacement, exceed the principal amount of Indebtedness so secured and that such extension, renewal or replacement shall be limited to all or a part of the property that secured the Lien so extended, renewed or replaced or to other property of no greater value than the property that secured the Lien so extended, renewed or replaced;

(q) Liens on the assets of the Borrower and its Principal Subsidiaries granted by the Borrower and its Principal Subsidiaries to secure long term Indebtedness of the Borrower (exclusive of those granted under clauses (c), (d), (e) and (k) through (o) above) provided that at the time of granting such Liens (and after giving effect thereto), the aggregate amount of all such long term Indebtedness of the Borrower and its Principal Subsidiaries taken together shall not exceed \$400,000,000; and

(r) Stranded Cost Recovery Obligations securitization transactions.

Merge, amalgamate, dissolve, liquidate, wind-up or consolidate (or suffer any liquidation or dissolution) with or into another Person, or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (including Equity Interests in Subsidiaries) (whether now owned or hereafter acquired) to or in favor of any Person unless:

(a) a Subsidiary of the Borrower merges, amalgamates or consolidates with the Borrower or any Subsidiary of the Borrower; provided that (i) if the Borrower is party to such transaction, the Borrower shall be the surviving entity, and (ii) subject to clause (i), if a Principal Subsidiary is party to such transaction, a Principal Subsidiary that is a Domestic Subsidiary shall be the surviving entity,

(b) a Subsidiary of the Borrower liquidates or dissolves into, or makes an asset disposition to, the Borrower or any Subsidiary of the Borrower; provided that (i) if the Borrower is party to such transaction, the Borrower shall be the entity into which assets are transferred, and (ii) subject to clause (i), if a Principal Subsidiary is party to such transaction, a Principal Subsidiary that is a Domestic Subsidiary shall be the entity into which assets are transferred in,

(c) all corporate and regulatory approvals therefor have been received,

(d) no Default or Event of Default would exist hereunder after giving effect to such transaction, and

(e) the senior unsecured debt ratings of S&P and Moody's applicable to (i) the Borrower, (ii) to the extent applicable, such Principal Subsidiary that is the surviving entity in a transaction permitted under clause (a) above, (iii) to the extent applicable, the entity to which assets are transferred, in such a transaction permitted under clause (b) and (iv) to the extent applicable, the Principal Subsidiary disposing of assets to a Person other than the Borrower or any of its Subsidiaries in a transaction permitted under clause (b) above, in each case after giving effect to such transaction, shall be at least BBB- and Baa3.

Notwithstanding the foregoing, any disposition of assets permitted by the foregoing provisions of this Section 8.02 to a Person other than the Borrower and its Subsidiaries may be consummated by way of merger, amalgamation or consolidation.

8.03

Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

8.04

Transactions with Affiliates and Insiders.

Enter into any transaction of any kind with any officer, director or Affiliate of the Borrower, whether or not in the ordinary course of business, other than (a) except as otherwise specifically limited in this Agreement, transactions which are on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate, (b) any transaction for which the Borrower or Subsidiary has obtained the approval of the DPU, (c) immaterial incidental transactions among Borrower and its Affiliates which are substantially on arm's length basis, such as cash management, facility sharing, tax sharing, management

62

services or other overhead sharing matters, (d) intercompany transactions, including loans and advances and the provision of services, not prohibited under this Agreement or required under the Federal Power Act and the rules of the FERC or state utility commissions, in each case to the extent applicable thereto, (e) normal and reasonable compensation and reimbursement expenses of officers and directors in the ordinary course of business and (f) Stranded Cost Recovery Obligations securitization transactions.

8.05

Use of Proceeds.

Use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.06

Consolidated Indebtedness to Capitalization Ratio.

Permit the Consolidated Indebtedness to Capitalization Ratio of the Borrower as of the end of any fiscal quarter of the Borrower to be greater than 0.65:1.00.

8.07

Compliance with ERISA.

Terminate, or permit any of its ERISA Affiliates to terminate, any Pension Plan so as to result in any direct liability of the Borrower or any Principal Subsidiary to the PBGC in an amount greater than the Threshold Amount, or (b) permit to exist any occurrence of any Reportable Event which, alone or together with any other Reportable Event with respect to the same or another Pension Plan, has a reasonable possibility of resulting in direct liability of the Borrower or any Subsidiary to the PBGC in an aggregate amount exceeding the Threshold Amount, or any other event or condition that presents a material risk of such a termination by the PBGC of any Pension Plan or has a reasonable possibility of resulting in a liability of the Borrower or any Subsidiary to the PBGC or a Multiemployer Plan in an aggregate amount exceeding the Threshold Amount.

8.08

Interests in Nuclear Plants.

Acquire any nuclear plant or any interest therein not held on the date hereof, other than so called "power entitlements" acquired for use in the ordinary course of business.

8.09

Financing Agreements.

With respect to the Borrower only, permit any Principal Subsidiary to enter into any agreement, contract, indenture or similar obligation, or issue any security (all of the foregoing being referred to as “Financing Agreements”), that is not in effect on the date hereof, or amend or modify any existing Financing Agreement, if the effect of such Financing Agreement (or amendment or modification thereof) is to impose any additional restriction not in effect on the date hereof on the ability of such Principal Subsidiary to pay dividends to the Borrower; provided, that the foregoing shall not restrict the right of any Principal Subsidiary of the Borrower created to hold generating or transmission assets, to enter into any such Financing Agreement in connection with the incurrence of Indebtedness that is nonrecourse to the Borrower and is incurred to acquire, construct or otherwise develop generating or transmission assets.

8.10

Sanctions.

Directly or indirectly, use any Borrowing or the proceeds of any Borrowing, or lend, contribute or otherwise make available such Borrowing or the proceeds of any Borrowing to any Person, to fund any

activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Arranger, Administrative Agent, Swing Line Lender, or otherwise) of Sanctions.

8.11 Anti-Corruption Laws.

Directly or indirectly, use any Borrowing or the proceeds of any Borrowing for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

ARTICLE IX.

EVENTS OF DEFAULT AND REMEDIES

9.01

Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower fails to pay (i) when and as required to be paid herein any amount of principal of any Loan, or (ii) within five (5) days after the same becomes due, any interest on any Loan, or any fee due hereunder, or (iii) within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document, whether at the stated maturity or any accelerated date of maturity or at any other date fixed for payment; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02(a), 7.03(a), 7.05, 7.10, or 7.11 or Article VIII; or

(c) Other Defaults. The Borrower fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after written notice from the Administrative Agent; or

(d) Representations and Warranties. Any representation or warranty, made or deemed made by or on behalf of the Borrower or any Principal Subsidiary herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or, with respect to any representation and warranty that is expressly qualified by materiality, in any respect) when made or deemed made; or

(e) Cross-Default. (i) The Borrower or any Principal Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise and after giving effect to applicable grace periods) in respect of any Indebtedness (other than (x) Indebtedness of the Borrower under this Agreement, but including Indebtedness of its Principal Subsidiaries hereunder and (y) Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement

evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Indebtedness to be demanded (or commitments to lend with respect to such Indebtedness to be terminated) or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or cash collateral in respect

thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from any event of default under such Swap Contract as to which the Borrower or any Principal Subsidiary is the Defaulting Party (as defined in such Swap Contract) the Swap Termination Value owed by the Borrower or such Principal Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. The Borrower or any of its Principal Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for ninety (90) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for ninety (90) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) The Borrower or any Principal Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of the Borrower and its Principal Subsidiaries and is not released, vacated or fully bonded within ninety (90) days after its issue or levy; or

(h) Judgments. There is entered against the Borrower or any Principal Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order and not stayed within thirty (30) days, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in direct liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the obligations under this Agreement, ceases

to be in full force and effect; or the Borrower or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or the Borrower denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control with respect to the Borrower.

If any Event of Default with respect to the Borrower occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions with respect to the Borrower:

- (a) declare the commitment of each Lender to make Loans to the Borrower to be terminated, whereupon such commitments and obligation shall be terminated;
- (b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable by the Borrower hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;
- (c) exercise on behalf of itself and the Lenders all rights and remedies against the Borrower and its property available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower or any of its Principal Subsidiaries under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans to the Borrower shall automatically terminate, the unpaid principal amount of all outstanding Loans of the Borrower and all interest and other amounts as aforesaid of the Borrower shall automatically become due and payable without further act of the Administrative Agent or any Lender.

9.03

Application of Funds.

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations of the Borrower shall be applied by the Administrative Agent to the then outstanding Obligations of the Borrower in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders) arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

66

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Third held by them;

Fourth, to payment of that portion of the Obligations constituting accrued and unpaid principal of the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE X.

ADMINISTRATIVE AGENT

10.01

Appointment and Authority.

Each of the Lenders hereby irrevocably appoints Barclays to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

10.02

Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.03

Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel,

67

may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04

Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.05

Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection

68

with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

10.06

Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower so long as no Event of Default has occurred and continues, which consent shall not be unreasonably withheld or delayed, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, with the consent of the Borrower so long as no Event of Default has occurred and continues, which consent shall not be unreasonably withheld or delayed, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent’s resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by or removal of Barclays as Administrative Agent pursuant to this Section shall also constitute its resignation or removal as Swing Line Lender. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, (a) such successor

shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender, and (b) the retiring Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08

No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

10.09

Administrative Agent May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment

70

or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

ARTICLE XI.

MISCELLANEOUS

11.01

Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that

(a) no such amendment, waiver or consent shall:

(i) extend (except as provided for in Section 2.17) or increase the Revolving Commitment of a Lender (or reinstate any Revolving Commitment terminated pursuant to Section 9.02) without the written consent of such Lender whose Revolving Commitment is being extended or increased (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or a mandatory reduction in Revolving Commitments is not considered an extension or increase in Revolving Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Revolving Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Revolving Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate;

(iv) change any provision of this Section 11.01(a) or the definition of "Required Lenders" without the written consent of each Lender;

(v) change Section 2.13 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(b) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement; and

(c) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document;

provided, however, that notwithstanding anything to the contrary herein, (i) the Fee Letters may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected

Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, (iv) the Required Lenders shall determine whether or not to allow the Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders, (v) subject to Section 2.17, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Borrower and the relevant Lenders providing such additional credit facilities (x) to add one or more additional credit facilities to this Agreement, to permit the extensions of credit from time to time outstanding hereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents and the Loans and the accrued interest and fees in respect thereof and to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and (y) to change, modify or alter Section 2.13 or Section 9.03 or any other provision hereof relating to the pro rata sharing of payments among the Lenders solely to the extent necessary to effectuate any of the amendments (or amendments and restatements) enumerated in this clause (v) and for no other purpose, and (vi) if following the Effective Date, the Administrative Agent and the Borrower shall have jointly identified an inconsistency, obvious error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

11.02

Notices and Other Communications; Facsimile Copies.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its

Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved

by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent

Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. The Borrower, the Administrative Agent and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side

make reference to Borrower materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Revolving Loan Notices, Swing Line Loan Notices and Prepayment Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03

No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrower or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 9.02 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Swing Line Lender) hereunder and under the other Loan Documents,

(c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Borrower under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04

Expenses; Indemnity; and Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable out-of-pocket expenses

incurred by the Administrative Agent, any Lender (including the reasonable fees, charges and disbursements of one counsel and, to the extent reasonably necessary, special and one local counsel in each jurisdiction for the Administrative Agent and for all of the Lenders as a group (and in the event of any actual or potential conflict of interest, one additional counsel for the Administrative Agent and/or each Lender subject to such conflict)) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Joint Lead Arranger, each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and reasonable related expenses (including the reasonable fees, charges and disbursements of one counsel and, to the extent reasonably necessary, special and one local counsel in each jurisdiction for the Indemnitees (and in the event of any actual or potential conflict of interest, one additional counsel for the Administrative Agent and/or each Lender subject to such conflict)) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the

75

comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and the Borrower hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or

instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Revolving Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05

Payments Set Aside.

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of

the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06

Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Revolving Commitment and the Loans (including for purposes of this subsection (b), participations in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Revolving Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Revolving Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 in the case of an assignment of Revolving Loans unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single assignee (or to an assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

77

(ii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment in respect of the Revolving Commitment subject to such assignment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Commitment.

(c) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(d) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries. or (B) to any Defaulting

to the benefit of any of the persons described in clause (B), or (C), to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to a natural person.

(e) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and

78

Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(f) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(g) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other

than a natural person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitment and/or the Loans (including such Lender's participations in Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (v) of Section 11.01(a) that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and

79

the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register. No sale of a participation shall be effective unless and until it has been recorded in the Participant Register as provided in this paragraph (d).

(h) Limitation on Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. Furthermore, a Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01(e) as though it were a Lender.

(i) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(j) Resignation as Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Barclays assigns all of its Revolving Commitment and Loans pursuant to subsection (h) above, Barclays may upon

resigning commitment and loans pursuant to Section 2.04(c) above, Barclays may, upon thirty (30) days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Barclays as Swing Line Lender, as the case may be. If Barclays resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender, as the case may be.

Notice by the Administrative Agent to the Borrower of any assignment made under this Section 11.06 shall be provided as may be agreed in writing from time to time between the Borrower and the Administrative Agent.

11.07

Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it or its Affiliates (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower, (i) to rating agencies if requested or required by such agency in connection with a rating relating to the Loans hereunder and (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

11.08

Set-off.

If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid

81

over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09

Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10

Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11

Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

11.12

Severability.

82

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13

Replacement of Lenders.

If (i) any Lender requests compensation under Section 3.04, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) a Lender (a “Non-Consenting Lender”) does not consent to a proposed change, waiver, discharge or termination with respect to any Loan Document that has been approved by the Required Lenders as provided in Section 11.01 but requires unanimous consent of all Lenders or all Lenders directly affected thereby (as applicable), (iv) any Lender is a Non-Extending Lender pursuant to Section 2.17(b) or (v) any Lender is a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the rights and restrictions contained in, and consents required by, Section 11.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to one hundred percent (100%) of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of any such assignment resulting from a Non-Consenting Lender’s or a Non-Extending Lender’s failure to consent to a proposed change, waiver, discharge or termination with respect to any Loan Document, the applicable replacement bank, financial institution or Fund consents to the proposed change, waiver, discharge or termination; provided that the failure by such Non-Consenting Lender or such Non-Extending Lender, as applicable, to execute and deliver an Assignment and Assumption shall not impair the validity of the removal of such Non-Consenting Lender or such Non-Extending Lender and the mandatory assignment of such Non-Consenting Lender’s or such Non-Extending Lender’s, as applicable, Revolving Commitments and outstanding Loans and participations in Swing Line Loans pursuant to this

Section 11.13 shall nevertheless be effective without the execution by such Non-Consenting Lender or such Non-Extending Lender, as applicable, of an Assignment and Assumption.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14

Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16

Electronic Execution.

The words “delivery,” “execute,” “execution,” “signed,” “signature,” and words of like import in any Loan Document or any other document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

11.17

USA PATRIOT Act.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

11.18

No Advisory or Fiduciary Relationship.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Joint Lead Arrangers and the Lenders, are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers and the Lenders, on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) the Administrative Agent, the Joint Lead Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for the Borrower or any of Affiliates or any other Person and (ii) none of the Administrative Agent, the Joint Lead Arrangers and the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent, the Joint Lead Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Administrative Agent, the Joint Lead Arrangers and the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases, any claims that it may have against the Administrative Agent, any Joint Lead Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19

New Lenders.

From and after the Effective Date, by execution of this Agreement, each Person identified as a "Lender" on each signature page that is not already a Lender under the Existing Credit Agreement hereby acknowledges, agrees and confirms that, by its execution of this Agreement, such Person will be deemed to be a party to this Agreement and a "Lender" for all purposes of this Agreement, and shall have all of the obligations of a Lender hereunder as if it had executed the Existing Credit Agreement. Such Person hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions applicable to the Lenders contained in this Agreement.

11.20

Amendment and Restatement.

The parties hereto agree that, on the Effective Date, the following transactions shall be deemed to occur automatically, without further action by any party hereto: (a) the Existing Credit Agreement shall be deemed to be amended and restated in its entirety pursuant to this Agreement; (b) all Obligations under the Existing Credit Agreement outstanding on the Effective Date shall in all respects be continuing and shall be deemed to Obligations outstanding hereunder, except as modified hereby; and (c) all references in the other Loan Documents to the Existing Credit Agreement shall be deemed to refer without further amendment to this Agreement.

[SIGNATURE PAGES FOLLOW]

87

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER: NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business as Eversource
Energy

By: /S/ PHILIP J. LEMBO
Name: Philip J. Lembo
Title: Vice President and Treasurer

NSTAR ELECTRIC COMPANY
AMENDED AND RESTATED CREDIT AGREEMENT

ADMINISTRATIVE
AGENT: BARCLAYS BANK PLC,
As Administrative Agent

By: /S/ VANESSA A. KURBATSKIY
Name: Vanessa a. Kurbatskiy
Title: Vice President

NSTAR ELECTRIC COMPANY
AMENDED AND RESTATED CREDIT AGREEMENT

LENDERS: BARCLAYS BANK PLC,
as a Lender and Swing Line Lender

By: /S/ VANESSA A. KURBATSKIY
Name: Vanessa a. Kurbatskiy
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ J. B. MEANOR II
Name: JB Meanor
Title: Managing Director

CITIBANK, N.A.,
as a Lender

By: /s/ DAMIEN LIPKE
Name: Damien Lipke
Title: Vice President

THE BANK OF TOKYO MITSUBISHI UFJ, LTD.,
as a Lender

By: /s/ JEFF FESENMAIER
Name: Jeff Fesenmaier
Title: Managing Director

NSTAR ELECTRIC COMPANY
AMENDED AND RESTATED CREDIT AGREEMENT

WELLS FARGO BANK, N.A.,
as a Lender

By: /s/ NICK BROKKE
Name: Nick Brokke
Title: Vice President

MIZUHO BANK, LTD.,
as a Lender

By: /s/ LEON MO
Name: Leon Mo
Title: Authorized Signatory

TD BANK, N.A.,
as a Lender

By: /s/ SHANNON BATCHMAN
Name: Shannon Batchman
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /S/ JAMES O'SHAUGHNESSY
Name: James O'Shaughnessy
Title: Vice President

NSTAR ELECTRIC COMPANY
AMENDED AND RESTATED CREDIT AGREEMENT

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /S/ PETER CHRISTENSEN
Name: Peter Christensen
Title: Vice President

GOLDMAN SACHS BANK USA,
as a Lender

By: /S/ REBECCA KRATZ
Name: Rebecca Kratz
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /S/ LISA A. RYDER
Name: Lisa A. Ryder
Title: Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /S/ BEN THOMAS
Name: Ben Thomas
Title: Authorized Signatory

THE BANK OF NEW YORK MELLON,
as a Lender

By: /S/ RICHARD K. FRONAPFEL, JR.
Name: Richard K. Fronapfel, Jr.
Title: Vice President

NSTAR ELECTRIC COMPANY
AMENDED AND RESTATED CREDIT AGREEMENT

PNC BANK, NATIONAL ASSOCIATION,

By: /s/ THOMAS E. REDMOND

Name: Thomas E. Redmond

Title: Senior Vice President

COBANK, ACB,

as a Lender

By: /s/ JOSH BATCHELDER

Name: Josh Batchelder

Title: Vice President

NSTAR ELECTRIC COMPANY
AMENDED AND RESTATED CREDIT AGREEMENT

Schedule 2.01

REVOLVING COMMITMENTS AND APPLICABLE PERCENTAGES

| Lenders | Revolving Commitment | Applicable Percentage |
|----------------------------------------|----------------------|-----------------------|
| Bank of America, N.A. | \$31,973,684.21 | 7.105263158% |
| Barclays Bank PLC | \$31,973,684.22 | 7.105263160% |
| Citibank, N.A. | \$31,973,684.21 | 7.105263158% |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | \$31,973,684.21 | 7.105263158% |
| Wells Fargo Bank, National Association | \$31,973,684.21 | 7.105263158% |
| Mizuho Bank, Ltd. | \$31,973,684.21 | 7.105263158% |
| TD Bank, N.A. | \$31,973,684.21 | 7.105263158% |
| U.S. Bank National Association | \$31,973,684.21 | 7.105263158% |
| JPMorgan Chase Bank, N.A. | \$28,421,052.63 | 6.315789473% |
| Goldman Sachs Bank USA | \$28,421,052.63 | 6.315789473% |
| KeyBank National Association | \$28,421,052.63 | 6.315789473% |

| | | |
|--------------------------------|------------------|----------------|
| Royal Bank of Canada | \$28,421,052.63 | 6.315789473% |
| The Bank of New York Mellon | \$28,421,052.63 | 6.315789473% |
| PNC Bank, National Association | \$28,421,052.63 | 6.315789473% |
| Cobank, ACB | \$23,684,210.53 | 5.263157896% |
| <hr/> | | |
| Total: | \$450,000,000.00 | 100.000000000% |

Schedule 6.11

TAX SHARING AGREEMENTS

Third Amended and Restated Tax Allocation Agreement dated as of April 10, 2012,
among Eversource Energy and its direct and indirect subsidiaries.

Schedule 6.13

SUBSIDIARIES

(a) Principal Subsidiaries

None.

(b) Equity Interests of the Borrower

| Name | Class of Stock | Number of Shares | Owner |
|------------------------|------------------------------|------------------|-----------------------|
| NSTAR Electric Company | Common Stock | 100 | Eversource Energy |
| | Preferred Stock ¹ | 430,000 | Third Party Investors |

¹ The preferred stockholders are not presently entitled to vote, but would become entitled to vote for the election of directors upon certain events of default.

Schedule 6.18

TAXPAYER AND ORGANIZATIONAL IDENTIFICATION NUMBERS; LEGAL NAME; STATE
OF FORMATION; PRINCIPAL PLACE OF BUSINESS

| Taxpayer Identification Number | Legal Name | State of Formation | Principal Place of Business |
|-----------------------------------------------|------------------------|-----------------------------------|----------------------------------------|
| 04-1278810 | NSTAR Electric Company | MA | 800 Boylston Street Boston MA 02199 |

Schedule 8.01

LIENS EXISTING ON THE EFFECTIVE DATE

None.

Schedule 11.02

CERTAIN ADDRESSES FOR NOTICES

1. Borrower

NSTAR Electric Company
(doing business as Eversource Energy)
One NSTAR Way
Westwood, MA 02090
Attn: Philip Lembo, Vice President and Treasurer

2. Administrative Agent

For payments and Requests for Credit Extensions:

Barclays Bank PLC
1301 Sixth Avenue
New York, NY 10019
Attention: Bertha Gallardo
Phone: 212-320-7539
Fax: 917-522-0569
Email: Bertha.Gallardo@barclays.com
and xrausloanops5@barclays.com

Account Information (for U.S.
Dollars): Barclays Bank PLC
70 Hudson St., Jersey City, NJ 07302
ABA #: 026 002 574
Acct.#: 050-019104
Account Name: Clad Control Account
Ref: NSTAR Electric Company d/b/a Eversource
Energy

For all other Notices (Financial Statements, Compliance Certificates):

Barclays Bank PLC
745 7th Avenue, 25th Floor
New York, NY, 10119
Attention: Vanessa Kurbatskiy
Telephone: 212-526-2799
Facsimile: 212-526-5115
E-mail:
vanessa.kurbatskiy@barclays.com and
ltmny@barclays.com

3. Swing Line Lender:

Barclays Bank
PLC
1301 Sixth Avenue
New York, NY 10019
Attention: Bertha Gallardo

Phone: 212-320-7539

Fax: 917-522-0569

Email: Bertha.Gallardo@barclays.com
and xrausloanops5@barclays.com

Account Information (for U.S.
Dollars): Barclays Bank PLC

70 Hudson St., Jersey City, NJ 07302

ABA #: 026 002 574

Acct.#: 050-019104

Account Name: Clad Control Account

Ref: NSTAR Electric Company d/b/a Eversource
Energy

Exhibit 2.02a)

[FORM OF] LOAN NOTICE

Date: _____, ____

To: Barclays Bank PLC, as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned hereby requests (select one):

- ☐ A Borrowing of a Revolving Loan
- ☐ A conversion or continuation of a Revolving Loan

1. On _____ (a Business Day).
2. In the amount of \$_____ .¹
3. Comprised of _____ .²
[Type of Loan requested]
4. For Eurodollar Rate Loans: with an Interest Period of ____ months.³

The Borrowing, if any, requested herein (i) complies with the provisos to the first sentence of Section 2.01 of the Credit Agreement and (ii) the Borrower hereby represents and warrants that each of the conditions set forth in Section 5.02 of the Credit Agreement have been satisfied on and as of the date of such Borrowing.

NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business as
Eversource Energy

By: _____
Name:
Title:

¹ In the case of a Eurodollar Rate Borrowing, not less than \$5,000,000 or a larger multiple of \$1,000,000; in the case of a Base Rate Borrowing, not less than \$5,000,000 or a larger multiple of \$1,000,000.

² Eurodollar Rate Loans or Base Rate Loans.

³ Which must comply with the definition of "Interest Period" and end not later than the Revolving Loan Maturity Date.

Exhibit 2.04(b)

[FORM OF] SWING LINE LOAN NOTICE

Date: _____, _____

To: Barclays Bank PLC, as Swing Line Lender
Barclays Bank PLC, as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned hereby requests a Swing Line Loan:

1. On _____ (a Business Day).
2. In the amount of \$ _____ .¹

The Swing Line Borrowing requested herein (i) complies with the requirements of the provisos to the first sentence of Section 2.04(a) of the Credit Agreement and (ii) the Borrower hereby represents and warrants that each of the conditions set forth in Section 5.02 of the Credit Agreement have been satisfied on and as of the date of such Swing Line Borrowing.

NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business
as
Eversource Energy

By: _____
Name:
Title:

¹ Not less than \$500,000 or a larger multiple of \$100,000.

Exhibit 2.05

[FORM OF] PREPAYMENT NOTICE

Date: _____, _____

To: Barclays Bank PLC, as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

This Prepayment Notice is delivered to you pursuant to Section 2.05 of the Credit Agreement. The Borrower hereby gives notice of a prepayment of Loans as follows:

1. ☐ Revolving Loans ☐ Swing Line Loans
2. On _____ (a Business Day).
3. In the amount of \$_____ .¹
4. For Revolving Loans: comprised of _____ .²
[Type of Loan]
5. For Eurodollar Rate Loans: with an Interest Period _____ 201____
ending _____,

This Prepayment Notice and prepayment contemplated hereby comply with the Credit Agreement, including Section 2.05 of the Credit Agreement.

NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business
as
Eversource Energy

By: _____
Name:
Title:

¹ In the case of a Eurodollar Rate Loan, not less than \$2,000,000 or a larger multiple of \$1,000,000; in the case of a Base Rate Loan, not less than \$1,000,000 or a larger multiple of \$500,000; in the case of a Swing Line Loan, not less than \$500,000 or a larger multiple of \$100,000.

² Eurodollar Rate Loans or Base Rate Loans.

[FORM OF] [AMENDED AND RESTATED] REVOLVING NOTE

FOR VALUE RECEIVED, NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), hereby promises to pay to _____ or its registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Revolving Loan from time to time made by the Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among the Borrower, the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Loan from the date of such Revolving Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the Default Rate.

This Revolving Note is one of the Revolving Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Revolving Note shall become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Revolving Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Revolving Note and endorse thereon the date, amount and maturity of its Revolving Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Revolving Note.

THIS REVOLVING NOTE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS REVOLVING NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[This Revolving Note amends and restates, and is given in replacement of, and not in payment of, that certain Revolving Note, dated as of July 25, 2012 (the "Existing Note"), given by the Borrower in favor of the Lender and is in no way intended, and shall not be deemed or construed, to constitute a novation of the Existing Note.]

IN WITNESS WHEREOF, the Borrower has caused this Revolving Note to be duly executed by its duly authorized officer as of the day and year first above written.

NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business as
Eversource
Energy

By: _____
Name:
Title

Exhibit 2.11(a)-2

[FORM OF] AMENDED AND RESTATED SWING LINE NOTE

FOR VALUE RECEIVED, NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), hereby promises to pay to Barclays Bank PLC or its registered assigns (the "Swing Line Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Swing Line Loan from time to time made by the Swing Line Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among the Borrower, the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Swing Line Loan from the date of such Swing Line Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest shall be made to the Swing Line Lender in Dollars in immediately available funds at the location designated by the Swing Line Lender. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the Default Rate.

This Swing Line Note is one of the Swing Line Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Swing Line Note shall become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Swing Line Loans made by the Swing Line Lender shall be evidenced by one or more loan accounts or records maintained by the Swing Line Lender in the ordinary course of business. The Swing Line Lender may also attach schedules to this Swing Line Note and endorse thereon the date, amount and maturity of its Swing Line Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Swing Line Note.

THIS SWING LINE NOTE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SWING LINE NOTE AND THE TRANSACTION CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

This Swing Line Note amends and restates, and is given in replacement of, and not in payment of, that certain Swing Line Note, dated as of July 25, 2012 (the "Existing Note"), given by the Borrower in favor of the Lender and is in no way intended, and shall not be deemed or construed, to constitute a novation of the Existing Note.

IN WITNESS WHEREOF, the Borrower has caused this Swing Line Note to be duly executed by its duly authorized officer as of the day and year first above written.

NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business as
Eversource
Energy

By: _____
Name:
Title

Exhibit 3.01(e)-1

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement") among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name: _____

Title: _____

Date: _____, 20__

Exhibit 3.01(e)-2

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement") among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: Name: _____

Title: _____

Date: _____, 20__

Exhibit 3.01(e)-3

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement") among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:
Name: _____

Title: _____

Date: _____, 20__

Exhibit 3.01(e)-4

[FORM OF] U.S. TAX COMPLIANCE
CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax
Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement") among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____, 20__

Exhibit 7.02(a)

[FORM OF] COMPLIANCE CERTIFICATE

Financial Statement Date: _____, _____

To: Barclays Bank PLC, as Administrative
Agent

Ladies and
Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of October 26, 2015 (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the "Credit Agreement"), among NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy (the "Borrower"), the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____

_____ of the Borrower, and that, as such, he/she is authorized to execute and deliver this Compliance Certificate (this "Certificate") to the Administrative Agent on the behalf of the Borrower, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. The Borrower has delivered the year-end audited financial statements required by Section 7.01(a) of the Credit Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. The Borrower has delivered the unaudited financial statements required by Section 7.01(b) of the Credit Agreement for the fiscal quarter of the Borrower ended as of the above date. Such financial statements fairly present in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower during the accounting period covered by such financial statements.

3. A review of the activities of the Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Borrower performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default or Event of Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, during such fiscal period the following covenants or conditions have not been performed or observed and the following is a list of each such Default or Event of Default and its nature and status:]

4. The financial covenant analyses and information set forth on Schedule 1 attached hereto are true and accurate on and as of the date of this Certificate.

5. There has been [no] change in GAAP or the application thereof since the date of the most recent financial statements delivered pursuant to Section 7.01(a) of the Credit Agreement. *[If any change in GAAP has occurred, please specify the effect of such change on the financial statements accompanying this certificate].*

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the undersigned Borrower has executed this Certificate as
of _____, _____.

NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business as
Eversource
Energy

By: _____
Name:
Title:

Exhibit 11.06(b)

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.]¹ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, extended, supplemented, increased or otherwise modified in writing from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the respective facilities identified below (including, without limitation, the Swing Line Loans included in such facilities²) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

¹ Include bracketed language if there are either multiple Assignors or multiple Assignees.

² Include all applicable subfacilities.

3. Borrower: NSTAR Electric Company, a Massachusetts corporation doing business as Eversource Energy
4. Administrative Agent: Barclays Bank PLC, as the administrative agent under the Credit Agreement
5. Credit Agreement: Amended and Restated Credit Agreement, dated as of October 26, 2015, among the Borrower, the Lenders from time to time party thereto and Barclays Bank PLC, as Administrative Agent
6. Assigned Interest[s]:

| <u>Assignor[s]</u> | <u>Assignee[s]</u> | Aggregate Amount of Revolving Commitments for all Lenders ³ | Amount of Revolving Commitments Assigned | Percentage Assigned of Revolving Commitments ⁴ | <u>CUSIP Number</u> |
|--------------------|--------------------|------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------|---------------------|
| | | \$ | \$ | % | |
| | | \$ | \$ | % | |
| | | \$ | \$ | % | |

[7. Trade Date: _____]⁵

Effective Date: _____, __, 20 [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby

agreed to: ASSIGNOR[S]

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE[S]

[NAME OF ASSIGNEE]

³ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁴ Set forth, to at least 9 decimals, as a percentage of the Revolving Commitments of all Lenders thereunder.

⁵ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

By: _____
Name:

[Consented to and]⁶ Accepted:

BARCLAYS BANK PLC, as Administrative Agent

By: _____
Name:
Title:

Consented to:]⁷

[BARCLAYS BANK PLC, as Swing Line

Lender] By: _____

Name:
Title:

[NSTAR ELECTRIC COMPANY,
a Massachusetts corporation doing business as Eversource Energy

By: _
Name:
Title:]

⁶ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁷ To be added only if the consent of the Borrower and/or other parties (e.g. Swing Line Lender) is required by the terms of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.06(b)(ii) and (iv) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.06(b)(ii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of

interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the] [the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Assignment and Assumption and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

**2015 Public Service Company of New Hampshire
Restructuring and Rate Stabilization Agreement**

June 10, 2015

Amended January 26, 2016

AMENDMENT

The undersigned Settling Parties hereby amend the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (the "Settlement Agreement"), dated June 10, 2015, as follows:

1. Beginning at page 16, line 427, Section IV, Parts A & B are replaced with the following:

IV. DIVESTITURE

A. General

For the economic benefit of customers, the Commission and PSNH shall expeditiously pursue divestiture of PSNH's owned generation fleet upon the later of the enactment of the legislation contained in Appendix A hereto and final Commission approval of the settlement agreement reflecting the provisions of this Agreement. This divestiture will take place through several processes including the sale of its existing power generation facilities at auction. The goals of the asset auctions are to maximize the net Total Transaction Value ("TTV"), which reflects all of the cash and non-cash elements of the transaction(s), realized from the sale(s) in order to minimize Stranded Costs, to provide a market-based determination of Stranded Costs, and to establish a competitive energy market, while at the same time providing certain employee and host community protections as set forth herein.

The Commission shall have administrative oversight of the auction process and bid selection, including such direction and control as it deems necessary. Affiliates or subsidiaries of Eversource may not bid on PSNH's generating assets.

The Commission shall select and supervise an auction advisor, whose client shall be the Commission, to conduct the auction process. Commission Staff shall be responsible for management and oversight of the auction advisor's performance, consulting with and informing the Company as required to ensure effective support for, facilitation of, and control over the auction process. For the purposes of such selection, management and supervision of an auction advisor, as well as any divestiture-related processes including the auction itself, the

designation of certain Commission staff as Advocate shall be lifted. Such status will extend until all divestiture activities have been resolved. Selection of a qualified auction advisor shall be by competitive procurement and may commence prior to a final Commission order approving or disapproving this Settlement Agreement. Any contract with a qualified auction advisor entered into prior to a final Commission order in Docket No. DE 14-238 shall be contingent on issuance of a Commission order enabling the divestiture process to proceed, and shall require the auction advisor to assume any and all risk for services provided prior to issuance of such an order. The costs of the auction advisor shall be netted against the auction proceeds.

All purchaser(s) of PSNH's generation assets shall be required to keep the acquired plants in service for a minimum of eighteen months from the date of the financial closing on the purchase of the plant by the new owner.

The provisions of the existing Collective Bargaining Agreement (CBA) between PSNH and Local 1837 of The International Brotherhood of Electrical Workers governing the "Generation Group," as modified by the Memorandum of Agreement set forth in Appendix B, shall remain in effect and be binding upon PSNH and the purchaser(s) of the existing generating assets for the term of the CBA.

PSNH shall engage an expert consultant regarding typical divestiture processes and submit testimony from that expert as part of the Commission's proceeding to review this Agreement. The costs of such expert shall be recovered by PSNH via its Default Service charge until a financing order is issued. The other Settling Parties may also submit testimony regarding divestiture processes.

B. Timing and Details of the Fossil/Hydro Auctions

The fossil and hydro auction processes will be conducted by a qualified auction advisor whose primary objective will be to maximize the realized value of the fossil and hydro generation assets referred to as the TTV. A secondary objective of the auction processes, to the extent not inconsistent with the primary objective, will be to accommodate the participation of municipalities that host generation assets and to fairly allocate among individual assets the sale price of any assets that are sold as a group. The thermal and remote

combustion assets (collectively the “Fossil assets”) and the hydro assets may be divested pursuant to separate auction processes. .

The structure and details of the auction process(es) shall be established by the auction advisor, under the oversight and administration of the Commission and subject to the additional expedited adjudicatory proceedings requested in Section X below, with the Commission retaining such direction and control as it deems necessary. This expedited adjudicative proceeding shall include the design and approval of the auction process, the selection of any asset groupings, the approval of any final bids for the generation assets, and any other issues deemed appropriate by the Commission. Any municipalities providing notice to the Commission of their desire to bid on generating assets shall automatically be qualified to bid on any individual asset or asset package. Prior to any binding bidding phases, the auction advisor shall disclose any agreed-upon asset groupings for bidding, and qualified bidders will be given the opportunity to conduct detailed due diligence, ask detailed questions, visit the sites and submit bids in accordance with the process established for the auction as determined by the auction advisor and approved by the Commission. Interested parties will be provided information regarding the assets subject to auction via a secure internet web site, data room information, transaction documents, and other means as deemed necessary and appropriate. A designated advisor will serve as the intermediary for communications from bidders throughout the bidding process.

2. Beginning at page 22, line 574, Section IV, Part G is replaced with the following:

G. Failed Auction

The Commission and PSNH will make reasonable efforts to assure that a successful auction occurs. These efforts shall be consistent with the objective of maximizing the TTV of the sale of PSNH’s generation assets.

Should generation assets be left unsold as a result of the auction process or as a result of the Commission not approving a sale, the Commission in consultation with the auction advisor shall initiate a new divestiture process for such unsold assets no later than ninety days from the date of the Commission’s order approving the sale of the other generating assets or direct PSNH to pursue retirement of such unsold assets in an economic manner, with recovery

of the prudent costs of such retirement via the SCRC, including costs such as environmental, decommissioning, penalties imposed based upon capacity obligations, and employee protection costs. Should a second divestiture process also result in a failed auction, the retirement option for any such unsold generating assets will be pursued in an economic manner overseen by the Commission as quickly as reasonably possible. Until such asset is divested or retired, PSNH shall retain the assets, entitlements, or obligations, operate them prudently, and bid the output into the market with the net of costs and revenues included in Part 2 of the SCRC.

3. Beginning at page 33, line 901, Section X is replaced with the following:

X. PROCEEDINGS TO BE TERMINATED UPON IMPLEMENTATION OF SETTLEMENT

The two Commission proceedings set forth below shall be closed upon the latter of a) the enactment of the draft legislation contained in Appendix A; and, b) Commission approval of this Agreement.

1. Docket No. DE 11-250, "Investigation of Scrubber Costs and Cost Recovery."

2. Docket No. DE 14-238, "Determination Regarding PSNH's Generation Assets."

The Settling parties request that following closure of Docket No. DE 14-238, the Commission open a docket with appropriate ongoing proceedings to address the administration of the divestiture auction, issuance of a finance order implementing RRBs, and calculation and reconciliation of the stranded costs recovery charge.

4. Except as specifically amended and modified by this Amendment, the Settlement Agreement, and the obligations of the parties thereunder, shall remain in full force and effect in accordance with the terms and conditions set forth therein.

Signed this 26th day of January, 2016.

/s/ ROBERT A. BERSAK

Robert A. Bersak, Esq., for
Eversource Energy &
Public Service Company of New Hampshire
d/b/a Eversource Energy

/s/ F. ANNE ROSS

F. Anne Ross, Esq., General Counsel
Designated Advocate Staff
NH Public Utilities Commission

/s/ THOMAS C. FRANTZ

Thomas C. Frantz
Director-Electric Division
Designated Advocate Staff
NH Public Utilities Commission

/s/ SENATOR JEB. BRADLEY

Senator Jeb. Bradley,
NH Senate District 3

/s/ CHRISTOPHER G. ASLIN

Christopher G. Aslin, Esq., for
NH Office of Energy and Planning

/s/ SENATOR DAN FELTES

Senator Dan Feltes
NH Senate District 15

/s/ SUSAN W. CHAMBERLAIN

Susan W. Chamberlain, Esq.
Office of Consumer Advocate

/s/ THOMAS F. IRWIN

Thomas F. Irwin, Esq.
Conservation Law Foundation

/s/ THOMAS F. RYAN

Thomas F. Ryan, Assistant Business Manager
Local No. 1837
International Brotherhood of Electrical Workers

/s/ DOUGLAS PATCH

Douglas Patch
TransCanada Hydro Northeast, Inc.
TransCanda Power Marketing Ltd.

/s/ KATE EPSEN

Kate Epsen, Executive Director
NH Sustainable Energy Association
d/b/a NH Clean Tech Council

/s/ CHRISTOPHER BOLDT

Christopher Boldt, Esq., for
City of Berlin

SUMMARY OF TRUSTEE COMPENSATION ARRANGEMENTS

Eversource Energy (“Eversource”) pays each non-employee Trustee serving on January 1 an annual cash retainer in the amount of \$100,000 for service on the Board during his or her term of office, including participation in all Board and Committee meetings. In addition, Trustees holding the positions of Lead Trustee, Chair of the Audit Committee, Chair of the Compensation Committee, Chair of the Corporate Governance Committee, and Chair of the Finance Committee on January 1 receive annual cash retainers in the amounts set forth below. All cash retainers are payable in equal installments on the first business day of each calendar quarter.

| <u>Retainer</u> | <u>2016 Annual Amount</u> |
|--------------------------------------|-------------------------------|
| Lead Trustee | \$27,500 |
| Audit Committee Chair | \$17,500 |
| Compensation Committee Chair | \$12,500 |
| Corporate Governance Committee Chair | \$12,500 |
| Finance Committee Chair | \$12,500 |

Each non-employee Trustee serving on January 1 also receives a grant under the Eversource Incentive Plan (the “Plan”), effective on the tenth business day of each such year, of that number of Restricted Share Units (“RSUs”) resulting from dividing \$135,000 by the average closing price of our common shares as reported on the New York Stock Exchange for the 10 trading days immediately preceding such date and rounding the resulting amount to the nearest whole RSU. RSUs vest on the next business day following the grant, and distribution to the Trustee in equivalent common shares is deferred until the tenth business day of January of the year following retirement from Board service. Any individual who is elected to serve as a Trustee after January 1 of any calendar year receives an RSU grant prorated from the date of such election and granted on the first business day of the month following such election.

On January 15, 2016, each non-employee Trustee was granted 2,637 RSUs under the Plan, all of which vested on January 19, 2016.

Share ownership guidelines set forth in Eversource’s Corporate Governance Guidelines require each Trustee to attain and hold 7,500 common shares and/or RSUs within five years from January 1 of the year succeeding his or her date of election to the Board. All of the current Trustees exceed the share ownership threshold or are expected to do so within the stated period.

Pursuant to the Eversource Deferred Compensation Plan (the “Deferred Compensation Plan”), prior to the year earned, each Trustee may irrevocably elect to defer receipt of all or a portion of his or her cash compensation. Deferred funds are credited with deemed earnings on various deemed investments as permitted by the Deferred Compensation Plan. Deferred compensation is payable either in a lump sum or in installments in accordance with the Trustee’s prior election.

In addition, Eversource pays travel-related expenses for spouses of Trustees who attend Board functions. The Internal Revenue Service considers payment of travel expenses for a Trustee’s spouse to be imputed income to the individual Trustee. Effective January 1, 2009, Eversource discontinued tax gross-up payments in connection with spousal travel expenses.

*EVERSOURCE SUPPLEMENTAL
EXECUTIVE RETIREMENT
PROGRAM:*

*EVERSOURCE SUPPLEMENTAL
EXECUTIVE RETIREMENT
PLAN (NSTAR I)*

*EVERSOURCE SUPPLEMENTAL
EXECUTIVE RETIREMENT
PLAN (NSTAR II)*

*EVERSOURCE SUPPLEMENTAL
EXECUTIVE RETIREMENT
PLAN (NU)*

January 1, 2015

TABLE OF CONTENTS

| | Page |
|--------------------------------------------------------------------------|-------------|
| PART I INTRODUCTION; CLAIMS PROCEDURE | 1 |
| PART II EVERSOURCE SUPPLEMENTAL EXECUTION RETIREMENT PLAN (NSTAR I) | 6 |
| PART III EVERSOURCE SUPPLEMENTAL EXECUTION RETIREMENT PLAN (NSTAR II) | 21 |
| PART IV EVERSOURCE SUPPLEMENTAL EXECUTION RETIREMENT PLAN | |

-i-

PART I**INTRODUCTION; CLAIMS PROCEDURE****ARTICLE 1. INTRODUCTION**

Eversource Energy (the “Company”) has established the Eversource Supplemental Executive Retirement Program (the “SERP Program”) which comprises the following supplemental retirement plans maintained by the Company. The Eversource Supplemental Executive Retirement Plan (NSTAR I), as restated effective January 1, 2015, (the “NSTAR I Plan”) provides certain supplemental retirement payments for the benefit of certain key executive employees. The Eversource Supplemental Executive Retirement Plan (NSTAR II), as restated effective January 1, 2015, (the “NSTAR II Plan”) is maintained for the benefit of certain key executives who participate in the Eversource Pension Plan, as amended from time to time (the “Pension Plan”), and their beneficiaries. The Company and Northeast Utilities (“NU”), Northeast Utilities Service Company (“NUSCO”), and certain other entities in which the Company holds, directly or indirectly, more than a 50 percent voting interest also maintain the Eversource Supplemental Executive Retirement Plan (NU), as restated effective January 1, 2015, (the “NU Plan”) to provide certain executives with supplemental retirement benefits in addition to the retirement benefits provided under the Pension Plan.

This SERP Program document (the “SERP Program Document”) is intended to consolidate the governing plan documents of each of the NSTAR I Plan, the NSTAR II Plan and the NU Plan (each, a “Plan,” and together, the “Plans”), and comprises four constituent parts. Part I of the SERP Program Document provides a common introduction and a uniformly applicable claims procedure, effective January 1, 2015, for the Plans. Part I further provides common defined terms which shall have uniform applicability to each of the Plans except as may be otherwise

specifically provided in a Plan. The separate provisions of each of the NSTAR I Plan, the NSTAR II Plan and the NU Plan are set forth in Parts II, III and IV, respectively, and each such

Part shall have separate applicability as therein provided.

ARTICLE 2. CLAIMS PROCEDURE

2.1 **Filing a Claim for Benefits.** A Participant or other person entitled to benefits under the Plans (or the authorized representative of such Participant or other person) may make a claim for benefits by filing a request with the Senior Vice President – Human Resources (or a successor executive of comparable position, to be identified by the Company) (the “Plan Administrator”). Such request shall be made by such written, telephonic or electronic means as shall be prescribed by the Plan Administrator. All such claims must be submitted within the "applicable limitations period." The "applicable limitations period" shall be six (6) years, beginning on (a) in the case of any payment, the date on which the payment was made, or (b) for all other claims, the date on which the action complained of occurred. Additionally, upon denial of an appeal pursuant to Section 2.4, a Participant or such other person shall have six (6) years within which to bring suit against the applicable Plan for any claim related to such denied appeal; any such suit initiated after such six (6) year period shall be precluded.

2.2 **Notice of Denial of Claim.** If a claim is wholly or partially denied, the Plan Administrator shall furnish the claimant with written or electronic notification of the adverse benefit determination. Any electronic notification shall comply with the standards imposed by 29 C.F.R. Section 2520.104(b)-1(e)(1)(0, (iii) and (iv). The notification shall set forth in a manner calculated to be understood by the claimant:

(a) the specific reason or reasons for the adverse benefit determination;

2

(b) reference to the specific provisions of the applicable Plan on which the determination is based;

(c) a description of any additional material or information necessary for the claimant to perfect his or her claim and an explanation of why such material or information is necessary; and

(d) a description of the Plans' procedures for review of an adverse benefit determination and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be furnished to the claimant within ninety (90) days after receipt of his or her claim, unless special circumstances require an extension of time for processing such claim. If

an extension of time for processing is required, the Plan Administrator shall, prior to the termination of the initial ninety (90) day period, furnish the claimant with written notice indicating the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render the benefit determination. In no event shall an extension exceed a period of ninety (90) days from the end of the initial ninety (90) day period.

2.3 **Appeal of Denied Claim.** A claimant or his or her authorized representative may appeal an adverse benefit determination by filing a written request for review with the Advisory Committee (as such term is defined in the Eversource 401(k) Plan, formerly named the Northeast Utilities Service Company 401k Plan) within sixty (60) days after receipt by the claimant of the notification of such adverse benefit determination. A claimant or his or her duly authorized representative:

3

- (a) may submit to the Advisory Committee written comments, documents, records, and other information relating to the claim for benefits; and
- (b) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

The Advisory Committee's review of any adverse benefit determination shall take into account all comments, documents, records and other information submitted by the claimant or his or her authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

2.4 **Decision on Appeal.** The Advisory Committee shall provide the claimant with written or electronic notification of the benefit determination on review not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing. Any electronic notification shall comply with the standards imposed by 29 C.F.R. Section 2520.104b-1(c)(1)(i), (iii) and (iv). If an extension of time for processing is required, the Advisory Committee shall, prior to the termination of the initial sixty (60) day period, furnish the claimant with written notice indicating the special circumstances requiring an extension of time and the date by which the Advisory Committee expects to render the determination on review. In no event shall such extension exceed a period of sixty (60) days from the end of the initial sixty (60) day period.

In the case of an adverse benefit determination, the notification shall set forth in a manner calculated to be understood by the claimant, including specific references to the pertinent

applicable Plan provisions, the determinations, decisions and other actions of the Plan

Administrator, taken in accordance with the provisions hereof, which shall be final, conclusive and binding on all parties, including the following:

- (a) the specific reason or reasons for the adverse determination;
- (b) reference to the specific provisions of the applicable Plan on which the determination is based;
- (c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and
- (d) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA.

*Eversource
Supplemental Executive
Retirement Plan
(NSTAR I)*

Effective January 1, 2015

PART II

EVERSOURCE SUPPLEMENTAL EXECUTION RETIREMENT PLAN (NSTAR I)

INTRODUCTION

The NSTAR I Plan (formerly named the NSTAR Supplemental Retirement Plan I and NSTAR Supplemental Executive Retirement Plan) is maintained by the Company to provide certain supplemental retirement payments for the benefit of certain key executive employees as described herein. The Plan consists of two parts: Part A, which is the Eversource 409A Supplemental Executive Retirement Plan I (the “409A Plan”), and Part B, which is the Plan as restated effective August 25, 1999 and as in effect on October 3, 2004 (the “Grandfathered Plan”). The 409A Plan was sponsored by NSTAR until April 10, 2012, when NSTAR LLC became Plan Sponsor. On October 31, 2013, the Northeast Utilities became Plan Sponsor. On April 30, 2015, the Northeast Utilities name was changed to Eversource Energy, and Eversource is the Plan Sponsor effective June 19, 2015.

The 409A Plan is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and guidance issued thereunder and shall be interpreted and administered in a manner consistent with such requirements. For the avoidance of doubt, the terms of the 409A Plan shall apply to benefits accrued on or after January 1, 2005 and benefits accrued but not vested as of December 31, 2004 under the Grandfathered Plan. The terms of the 409A Plan are set forth as Part A.

All benefits accrued and vested as of December 31, 2004 (the “Grandfathered Benefit Amount”) shall be grandfathered for purposes of Code section 409A and shall be governed by the Plan as it was in effect on October 3, 2004. The Grandfathered Plan is frozen as of December 31, 2004. No additional benefit shall accrue under the Grandfathered Plan after December 31, 2004 and no individual not a Participant as of December 31, 2004 shall thereafter become a Participant in the

Grandfathered Plan. The Grandfathered Plan has not been amended or modified in any way since October 3, 2004, and a copy of the Grandfathered Plan as it was in effect on October 3, 2004 is attached as Part B. Also attached is an Appendix to the Grandfathered Plan (Part B) which memorializes the methodology for calculating, in accordance with applicable provisions of the Grandfathered Plan, the Grandfathered Benefit Amount credited to each Participant under the Grandfathered Plan.

PART A

NSTAR 409A

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN I

SECTION 1. ADMINISTRATION

The Plan Administrator will be responsible for administration of the 409A Plan as set forth herein.

The Plan Administrator shall make all determinations with respect to claims for benefits hereunder, in accordance with the provisions of Part I of the SERP Program Document. All decisions, interpretations and determinations made by the Plan Administrator relating to the 409A Plan will be made in his or her sole discretion, and will be final and conclusive and binding upon all persons. The Company agrees to indemnify and defend the Plan Administrator to the fullest possible extent permitted by law a (including any person formerly involved with Plan administration as a member of the former NSTAR Executive Personnel Committee or the former NSTAR Retirement Plans Committee) against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Company) occasioned by any act or omission to act in connection with the 409A Plan.

SECTION 2. PARTICIPANTS

Participants in the 409A Plan will be those key executive employees of the Company or its

Participants in the 409A Plan will be those key executive employees of the Company or its affiliates who were specifically approved by the former NSTAR Executive Personnel Committee for participation in the 409A Plan before April 10, 2012. The 409A Plan shall be closed as of such date to all other employees.

SECTION 3. BENEFITS

9

(a) Full Benefit. Each Participant who attains his or her Full Benefit Age (as hereinafter defined) while an employee of the Company or its affiliates and who thereafter has a Separation from Service will receive a benefit calculated as of the first day of the month following such Separation from Service, expressed as an annual single life annuity benefit, equal to the excess (if any) of (A) over (B), minus (C), where:

(A) is the excess of (i) 60% of his or her Highest Average Total Compensation (as hereinafter defined), over (ii) 50% of the Participant's Primary Social Security Benefit (as hereinafter defined), which excess is then multiplied by a fraction the numerator of which is his or her Full Years of Continuous Service (as hereinafter defined) at the time of his or her Separation from Service (which in no event shall exceed 20) and the denominator of which is 20;

(B) is the sum of the annual single life annuity benefits which the Participant would be entitled to receive as of the first day of the month following such Separation from Service from the NSTAR Pension Plan, as may be amended from time to time (the "NSTAR Pension Plan") and the Eversource Supplemental Executive Retirement Plan (NSTAR II), previously known as the NSTAR Supplemental Executive Retirement Plan II, as it may be amended from time to time (the "SERP II"), irrespective of the actual time and form of payment of the benefits from such Plans; and

(C) is the annual single life annuity benefit, if any, which the Participant would be entitled to receive as of the first day of the month following such Separation from Service from the Grandfathered Plan, irrespective of the actual time and form of payment of the Grandfathered Benefit Amount.

10

(b) Reduced Benefit. Each Participant who attains age 55 while an employee of the Company

or its affiliates, who completes five Full Years of Continuous Service and who thereafter has a Separation from Service prior to his Full Benefit Age will receive a reduced benefit expressed as an annual single life annuity benefit calculated as of the first day of the month following such Separation from Service, in the same manner as described in Section 3(a) above for a full benefit, except that for purposes of Section 3(a), the amount in (A) above shall be reduced by a percentage equal to 0.41666% multiplied by the aggregate number of months between the Participant's Separation from Service and his or her Full Benefit Age. A Participant who has not attained age 55 or who has not completed five Full Years of Continuous Service, but who has entered into a change in control agreement with the Company or an affiliate and whose age plus the number of any additional years of service credited to him under said change in control agreement for purposes of the 409A Plan is 50 or more, will be considered to have an accrued benefit under the 409A Plan for purposes of said change in control agreement, based upon his or her number of Full Years of Continuous Service and calculated and reduced as of his or her Separation from Service in the same manner as described in the preceding provisions of this Section 3(b).

(c) Form of Benefits.

- (i) **Participants in the SERP II.** With respect to any individual who is a Participant in the SERP II, the annual benefit, expressed as a single life annuity, payable to such Participant under Section 3(a) or 3(b) above will be paid in the same form of payment as is elected by the Participant pursuant to the SERP II and, with respect to a Participant who elects an optional form of annuity, determined pursuant to the SERP II.

11

- (ii) **Participants Not in the SERP II.** With respect to any individual who is not a Participant in the SERP II, the annual benefit, expressed as a single life annuity, payable to such Participant under Section 3(a) or (b) above will be paid as a Single Sum.

(d) Timing of Payment.

- (i) **Participants in the SERP II.** With respect to any individual who is a Participant in the SERP II, the benefit payable under 3(a) or 3(b) above shall be paid at the same time as the benefit under the SERP II.
- (ii) **Participants Not in the SERP II.** With respect to any individual who is

not a Participant in the SERP II, the benefit payable under Section 3(a) or (b) above will be paid on the first day of the seventh calendar month after the date of the Participant's Separation from Service.

- (iii) **Adjustment for Delayed Payment.** The benefit described in Section 3(a) or (b) above is calculated as of the first day of the month following Separation from Service. The Single Sum form of payment shall be increased with interest to the delayed payment date. For forms of payment other than Single Sum, the missed monthly payments shall be accumulated with interest and paid in a single sum at the payment date. For all purposes, interest is determined using the interest rate defined by the Plan Administrator for use in determining the actuarial equivalent lump sum value.

12

- (e) **Benefit Definitions.** For purposes of the 409A Plan, the following terms have the following meanings:

- (1) **Highest Average Total Compensation** means the average of the Participant's Total Compensation (as hereinafter defined) for the 36 consecutive months in which the Participant had the highest Total Compensation.
- (2) **Single Sum** means a single payment amount determined pursuant to Section 3(a) or (b) above (as applicable) but using the actuarial equivalent lump sum value of each of the amounts described in Section 3(a)(A), (B) and (C), as set forth in Appendix A.
- (3) **Full Benefit Age** means, for each Participant, age 62 or such other age as the Plan Administrator has determined in writing with respect to that Participant.
- (4) **Primary Social Security Benefit** means the "Primary Social Security Benefit," as defined under the NSTAR Pension Plan as determined by the Plan Administrator.

(5) **Total Compensation** means, for any calendar month, the Participant's base compensation and annual bonus payments paid to the Participant during such calendar month by the Company or its affiliate, plus any amounts that would have been paid to the

13

Participant during the calendar month by the Company or its affiliate as base compensation or annual bonus but for a salary reduction agreement in effect during such month under the Eversource Deferred Compensation Plan, as may be amended from time to time (or under any predecessor deferred compensation plan), as may be amended from time to time, or pursuant to Sections 125 or 401(k) of the Code.

(6) **Spousal Joint and Survivor Annuity** means, for purposes of determining death benefits under Section 4, an annuity of actuarial equivalent value to a single life annuity (as determined by the Plan Administrator with reference to such actuarial factors as it shall select from time to time), under which the Participant receives a reduced benefit during his or her lifetime, and following the Participant's death, 50% of such reduced benefit is paid for the life of the person who was the Participant's spouse on the date benefits commenced to the Participant.

(7) **Full Years of Continuous Service** means, for each Participant, the Participant's number of full years of continuous service with the Company and its affiliates or NSTAR and its affiliates for purposes of the NSTAR Pension Plan, beginning with the date on which the individual becomes a Participant in the Plan, credited to the Participant for purposes of the Plan by the Plan

14

Administrator, plus such other periods, if any, as the Plan Administrator shall determine.

(8) **Separation from Service** means separation from service with the Company and its affiliates within the meaning of Treasury Regulation §1.409A-1(h). A Participant on medical leave for a period of more than twenty nine (29) months shall be deemed to have a Separation from Service on the day following the end of the 29th month of medical leave. For purposes of this paragraph, a medical leave is a leave of absence due to a medically determined physical or mental impairment that can be expected to result in death or to last for a continuous period of at least six months, where such impairment causes the employee to be unable to perform the duties of his or her position of employment or any substantially similar position of employment.

SECTION 4. DEATH BENEFIT

(a) **Amount of Pre-Retirement Death Benefits.** In the case of a Participant who dies after attaining age 55 and completing five Full Years of Continuous Service, but prior to his or her Separation from Service, his or her surviving spouse, if any, will be entitled to receive an amount equal to the benefit such spouse would have received if the Participant had a Separation from Service immediately prior to his or her death and commenced receiving his or her benefit under the 409A Plan on the first day of the following month under the 50% Spousal Joint and Survivor Annuity form. If the death benefit is payable as a Single Sum under Section 4(b) below, the amount of the Single Sum shall be the actuarial equivalent of the survivor benefit under the 50%

Spousal Joint and Survivor Annuity determined using the interest and mortality assumptions selected by the Plan Administrator and as in effect on the date of the Participant's death. No death benefit is payable if the Participant is not married upon the date of his or her death.

(b) **Timing and Form of Pre-Retirement Death Benefits.** With respect to any Participant who is also a Participant in the SERP II, benefits under Section 4(a) will be paid at the same time and in the same form as the death benefit under the SERP II. With respect to any Participant who is not a Participant in the SERP II, benefits payable under Section 4(a) shall be paid in a Single Sum

as soon as reasonably practicable after the Participant's death, but in all events within 90 days after the Participant's death. For the avoidance of doubt, if such 90 day period ends in the taxable year following the taxable year in which the Participant's death occurs, neither the Participant nor any beneficiary shall have the right to designate the taxable year in which the benefits will be distributed.

(c) Post-Retirement Death Benefits. If a Participant dies after his or her Separation from Service but before benefits commence under Section 3 above, his or her beneficiary will be entitled to receive the benefit (if any) that such beneficiary would have received if the Participant had commenced receiving benefits under the 409A Plan immediately prior to his or her death in the form provided under Section 3(c) above; provided, however, that if the Participant elected to receive a Single Sum (or was required to receive a Single Sum pursuant to Section 3(c)(ii) above) then the beneficiary shall receive the Single Sum that would otherwise have been payable to the Participant, on the date that the Participant would have received such payment under Section 3(d). For the avoidance of doubt, no benefits will be payable pursuant to this Section 4(c) if the form of payment under Section 3(c) was a straight life annuity.

16

(d) Beneficiary. For purposes of this Section 4, "beneficiary" shall mean the beneficiary designated by the Participant under the Pension Plan or, if none, the Participant's spouse, or if none, the Participant's estate.

SECTION 5. NO PLAN ASSETS

Except as herein provided, the Company and its affiliates shall not be required to set aside or segregate any assets of any kind to meet its obligations hereunder and all benefits payable under the 409A Plan will be paid from the general assets of the Company and its affiliates. The Company or any of its affiliates may, however, establish one or more "grantor trusts" of which the Company or its affiliate is treated as the owner under Subpart E, Part I, Subchapter J, Chapter 1, Subtitle A of the Code (a "grantor trust") and may deposit funds with the trustee of such grantor trust to facilitate the payment of benefits under the 409A Plan. In the event the Company or any of its affiliates establishes such a grantor trust or trusts with respect to the 409A Plan and at the time of a Change of Control (as defined in Appendix A attached hereto), any such trust (i) has not been terminated or revoked, and (ii) is not "fully funded" the Company or its affiliate shall within ten days of such Change of Control deposit in such grantor trust or trusts assets sufficient to cause the trust or trusts to be "fully funded" as of the date of the deposit (as determined in its sole discretion by a majority

to be fully funded as of the date of the deposit (as determined in its sole discretion by a majority of the individuals who were members of the Committee immediately prior to such Change of Control).

SECTION 6. PARTICIPANT'S RIGHTS; NO ASSIGNMENT

A Participant's or beneficiary's rights to benefits under the 409A Plan shall be no greater than the rights of a general, unsecured creditor of the Company or its affiliates, and shall not be assignable or subject to alienation, anticipation, garnishment, attachment, or any other legal process by his creditors.

17

SECTION 7. NO CONTRACT OF EMPLOYMENT

The 409A Plan shall not be deemed to constitute a contract of employment between the Company or its affiliates and any Participant, or to be consideration for the employment of any Participant, and nothing in this 409A Plan shall give any Participant any right to be employed or to continue employment by the Company or its affiliates.

SECTION 8. APPLICATION OF ERISA

The 409A Plan is intended to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and shall be administered in a manner consistent with that intent.

SECTION 9. AMENDMENT OR TERMINATION

This 409A Plan may be amended or terminated at any time and in any respect by the Company or the Committee; provided, however, that the 409A Plan shall only be terminated to the extent, and in the manner, permitted by Code section 409A. No amendment or termination shall reduce or otherwise adversely affect the rights of any Participant or his or her beneficiary to benefits accrued under the 409A Plan immediately prior to such amendment or termination without his or her prior written consent; and no amendment or termination following a Change of Control shall eliminate or reduce the Company's or its affiliates' obligations to deposit assets in the grantor trust or trusts as described in Section 5. Furthermore, following a Change of Control, this Section 9 may not be amended.

SECTION 10. GOVERNING LAW

The 409A Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, to the extent such laws are not preempted by ERISA.

18

APPENDIX A

For the purposes of this 409A Plan, a “Change of Control” shall mean:

- a. The acquisition by any Person (or more than one Person acting as a group) of ultimate beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of (i) more than 50% of the then outstanding common shares (or shares of common stock) of the Parent (the “Outstanding Parent Common Shares”) or (ii) 30% or more of the combined voting power of the then outstanding voting securities of the Parent entitled to vote generally in the election of trustees (or directors) (the “Outstanding Parent Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Parent, (ii) any acquisition by the Parent or an affiliate of the Parent, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Parent, the Company or any affiliates of the Parent or (iv) any acquisition by any Person pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Appendix A; or
- b. Individuals who, as of the date hereof, constitute the Board of Trustees of the Parent (the “Incumbent Board”) cease for any reason to constitute at least a majority of such board; provided, however, that any individual becoming a trustee (or director) subsequent to the date hereof whose election, or nomination for election by the Parent’s shareholders, was approved by a vote of at least a majority of the trustees (or directors) then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with

A-1

respect to the election or removal of trustees (or directors) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than such board; or

- c. Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Parent (a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals

and entities who were the beneficial owners, respectively, of the Outstanding Parent Common Shares and Outstanding Parent Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, immediately following such Business Combination 50% or more of, respectively, the then outstanding common shares (or shares of common stock) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of trustees (or directors), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Parent or all or substantially all of the Parent's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Parent Common Shares and Outstanding Parent Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Parent or the Company or such entity resulting from such Business Combination) ultimately beneficially owns, directly or indirectly, more than 50% of, respectively, the then outstanding common shares or shares of common stock of the entity resulting from such Business Combination or 30% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that

A-2

such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of trustees (or board of directors) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board of Trustees of the Parent, providing for such Business Combination; or

- d. Approval by the shareholders of the Parent of a complete liquidation or dissolution of the Parent.
- e. Notwithstanding anything contained in this Appendix A or the Plan to the contrary, the merger transactions contemplated by the Agreement and Plan of Merger dated October 16, 2010 (the "Merger Agreement"), among NSTAR, Northeast Utilities, NU Holding Energy 1 LLC ("Acquisition Sub"), and NU Holding Energy 2 LLC ("Merger Sub"), pursuant to which, among other things, Merger Sub was merged with and into NSTAR and immediately thereafter NSTAR was merged with and into Acquisition Sub, shall not be considered a Change of Control for the purposes of this Plan. In addition, the transaction in

which the name of the Parent was changed from Northeast Utilities to Eversource shall not constitute a Change in Control for purposes of this Plan.

For purposes of this Appendix A, the term “Parent” shall mean Eversource, or, if any entity shall own, directly or indirectly through one or more subsidiaries, more than 50% of the outstanding common shares of Eversource, such entity, and the term “Person” shall mean any individual, corporation, partnership, company, limited liability company, trust or other entity, which term shall include a “group” within the meaning of Section 13(d) of the Securities Act of 1934, as amended.

A-3

2. “Single Sum”

For purposes of calculating the Single Sum Payment upon Separation from Service under this 409A Plan,

- The actuarial equivalent value of the benefit described in Section 3(a)(A) shall be determined using the interest and mortality assumptions selected by the Plan Administrator and as in effect on the date of the Participant’s Separation from Service.
- The actuarial equivalent value of the benefit described in Section 3(a)(B) shall be the lump sum benefit to which the participant would be entitled under the Pension Plan and the SERP II, calculated as of the first day of the month after the Participant’s Separation from Service.
- The actuarial equivalent value of the benefit described in Section 3(a)(C) shall be the lump sum benefit to which the participant would be entitled pursuant to the Grandfathered Plan.

A-4

PART B

NSTAR SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN I –

GRANDFATHERED PLAN

as in effect on October 3, 2004

APPENDIX B

The Grandfathered Benefit Amount shall be determined in accordance with the terms of the

The Grandfathered Benefit Amount shall be determined in accordance with the terms of the Grandfathered Plan as in effect on October 3, 2004. This Appendix B is intended to memorialize the methodology for calculating the Grandfathered Benefit Amount. Subject to the foregoing, the Grandfathered Benefit Amount shall be calculated as follows, with reference to the following Table I:

1. 409A Grandfathered Annuity (annual amount): greater of (i) and (ii) defined below.
 - (i) The excess, if any, of (a) over (b):
 - (a) the amount in Table I Column 1 adjusted for early retirement for a benefit commencing 12/31/04
 - (b) the sum of the amounts in Table I Columns 4 and 5, and the amount in Table I Column 6 adjusted for early retirement for a benefit commencing 12/31/04.
 - (ii) The excess, if any, of (a) over (b):
 - (a) the amount in Table I Column 1 adjusted for early retirement for a benefit commencing at the determination date
 - (b) the sum of the amounts in Table I Columns 2 and 3, brought forward from 12/31/04 with interest to the determination date using the interest credit defined in J.6. of the Pension Plan and converted to a single-life annuity using the **NSTAR** Pension Plan annuity conversion factors in effect at 12/31/04 for a benefit commencing at the determination date, and the

B-1

amount in Table I Column 6 adjusted for early retirement for a benefit commencing at the determination date.

2. 409A Grandfathered Lump Sum: greater of (i) and (ii) defined below.
 - (i) The excess, if any, of (a) over (b):
 - (a) the amount in 1.(i)(a) above multiplied by the present value factor at 12/31/04
 - (b) the sum of the amounts in Table I Columns 2 and 3, and the amount in Table I Column 6 adjusted for early retirement for a benefit commencing

12/31/04 multiplied by the present value factor at 12/31/04.

(ii) The excess, if any, of (a) over (b):

- (a) the amount in 1.(ii)(a) above multiplied by the present value factor at the determination date
- (b) the sum of the amounts in Table I Columns 2 and 3, brought forward from 12/31/04 with interest to the determination date using the interest credit defined in J.6. of the Pension Plan, and the amount in Table I Column 6 adjusted for early retirement for a benefit commencing at the determination date multiplied by the present value factor at the determination date.

The determination date is the first day of the month following the date the Participant ceases to be an employee of the Company and its affiliates.

The early retirement adjustment and present value factor applicable to the amount in Table I Column 6 is as defined under the NSTAR Pension Plan. For all other references in this Appendix, present value factors are determined using reasonable interest and mortality assumptions selected by the Plan Administrator for use at the date of the Participant's date of determination.

B-2

APPENDIX B
Table I

| Participant Name | 12/31/04 Accrued/Vested Target Benefit ⁽¹⁾ <i>Column 1</i> | 12/31/04 Accrued/Vested Lump Sum Benefit, Payable 12/31/04 ⁽¹⁾ | | 12/31/04 Accrued/Vested Annuity Benefit, Payable 12/31/04 ⁽²⁾ | | 12/31/04 Accrued/Vested Pension Plan Supplemental Benefit ⁽³⁾ |
|------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------|
| | | Pension Plan PEP <i>Column 2</i> | SERP II <i>Column 3</i> | Pension Plan PEP <i>Column 4</i> | SERP II <i>Column 5</i> | <i>Column 6</i> |
| May, Thomas | 1,056,239 | 603,048 | 4,459,730 | 60,043 | 444,037 | 79,380 |

(1) As defined in Section 4(a)(A) or Section 4(b) as applicable before applying any early retirement reduction factor for a benefit commencing before full retirement age, and before reduction for the annuity benefit from the Pension Plan and NSTAR SERP.

(2) Determined by converting the amounts in Columns 2 and 3, to an annual single-life annuity using the Pension Plan annuity conversion factors as in effect at 12/31/04 for a benefit commencing 12/31/04.

(3) As defined in Appendix I of the Pension Plan before applying any early retirement reduction

factor for a benefit commencing before Normal Retirement Date using the Pension Plan factors.

B-3

IN WITNESS WHEREOF, Eversource has caused this Plan, which consists of the 409A Plan and the Grandfathered Plan, to be approved substantially in the form as attached hereto and executed pursuant to authority duly delegated by its Compensation Committee.

By: /S/ CHRISTINE M. CARMODY
Senior Vice President- Human Resources
Eversource Energy Service Company

20

*Eversource
Supplemental Executive
Retirement Plan
(NSTAR II)*

Effective January 1, 2015

PART III**EVERSOURCE SUPPLEMENTAL EXECUTION RETIREMENT PLAN (NSTAR II)****INTRODUCTION**

The NSTAR II Plan (formerly named the NSTAR Supplemental Executive Retirement Plans and the NSTAR Excess Benefit Plan) is maintained by the Company for the benefit of certain key executives who participate in the Pension Plan, as described in Article I below (the “Participants”), and their beneficiaries. The Plan consists of two parts: Part A, which is the Eversource 409A Supplemental Executive Retirement Plan II (the “409A Plan”), and Part B, which is the Plan as in effect on October 3, 2004 (the “Grandfathered Plan”). The 409A Plan was sponsored by NSTAR until April 10, 2012, when NSTAR LLC became Plan Sponsor. On October 31, 2013, the Northeast Utilities became Plan Sponsor. On April 30, 2015, the Northeast Utilities name was changed to Eversource Energy, and Eversource is the Plan Sponsor, effective June 19, 2015.

The 409A Plan is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and guidance issued thereunder and shall be interpreted and administered in a manner consistent with such requirements. For the avoidance of doubt, the terms of the 409A Plan shall apply to benefits accrued on or after January 1, 2005 and benefits accrued but not vested as of December 31, 2004 under the Grandfathered Plan.

All benefits accrued and vested as of December 31, 2004 (the “Grandfathered Benefit Amount”) shall be grandfathered for purposes of Code section 409A and shall be governed by the Grandfathered Plan. The Grandfathered Plan is frozen as of December 31, 2004. No additional benefit shall thereafter accrue under the Grandfathered Plan after December 31, 2004 and no

individual not a Participant as of December 31, 2004 shall thereafter become a Participant in the Grandfathered Plan. The Grandfathered Plan has not been amended or modified in any way since October 3, 2004, and a copy of the Grandfathered Plan as it was in effect on October 3, 2004 is attached as Part B. Also attached is an Appendix to the Grandfathered Plan (Part B) which memorializes the methodology for calculating, in accordance with applicable provisions of the Grandfathered Plan, the Grandfathered Benefit Amount credited to each Participant under the Grandfathered Plan.

PART A
EVERSOURCE 409A SUPPLEMENTAL EXECUTIVE
RETIREMENT PLAN II

ARTICLE I
INTRODUCTION AND PURPOSE

The purpose of the 409A Plan is to provide certain retirement benefits with respect to those Participants described herein. Participants in the 409A Plan will be those key executive employees of the Company or its affiliates: (a) who are specifically designated by the Plan Administrator as eligible to participate in the 409A Plan, (b) who are participants in the Pension Plan, (c) who retire or have retired under the Pension Plan, and (d) whose Pension Plan benefits are, or will be, restricted by: (i) the limitations imposed under section 415 of the Code, or (ii) the limitations imposed under Section 401(a)(17) of the Code. For purposes of this 409A Plan, the limitations described in the preceding sentence (the “Limitations”) shall be deemed to include the corresponding limitations set forth in, or applicable under, the terms of the Pension Plan.

With respect to those Participants whose Pension Plan benefits are, or will be, restricted by the limitations imposed under section 415 of the Code, the 409A Plan is intended to be an “excess benefit plan” within the meaning of section 3(36) of the Employee Retirement Income Security Act of 1974, as amended from time to time (“ERISA”), and shall be administered in a manner consistent with that intent. With respect to those Participants whose Pension Plan benefits are, or will be, restricted by the limitations imposed under section 401(a)(17) of the Code, the 409A Plan is intended to be “a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of

management or highly compensated employees” within the meaning of sections 201(2), 301(a)(3) and 401(a)(3) of ERISA, and shall be administered in a manner consistent with that intent.

Nothing in the 409A Plan shall be deemed to require the setting aside of any assets, in trust or otherwise, for the payment of 409A Plan benefits. Interests in the 409A Plan are non-assignable, and are not subject to alienation, anticipation, garnishment, attachment or any other legal process. A Participant’s or beneficiary’s rights to benefits under the 409A Plan shall be no greater than the rights of a general, unsecured creditor of the Company or its affiliates. However, the Company or any of its affiliates may establish one or more trusts of which the Company or its affiliates is treated as the owner under Subpart E, Part I, of Subchapter J, Chapter 1 Subtitle A of the Code (a “grantor trust”), and may from time to time deposit funds with the Trustee of such grantor trust or trusts to facilitate payment of benefits under the 409A Plan. In the event the Company or any of its affiliates establishes such a grantor trust or trusts with respect to the 409A Plan and at the time of a Change of Control (as defined in Appendix A attached hereto) any such trust: (i) has not been terminated or revoked and (ii) is not “fully funded” (as determined in its sole discretion by a majority of the individuals who were members of the Compensation Committee of the Board of Trustees of Northeast Utilities (the “Committee”) immediately prior to such Change of Control), the Company or its affiliate shall within ten days of such Change of Control deposit in such grantor trust or trusts assets sufficient to cause the trust or trusts to be “fully funded” (as determined in its sole discretion by the majority of the individuals who were members of the Committee immediately prior to such Change of Control). Nothing in this Plan shall give any Participant any right to be employed or to continue employment by the Company or its affiliates.

ARTICLE II

BENEFITS

2.1 Amount of Benefit. Each Participant in the 409A Plan, or the surviving beneficiary of a deceased Participant, shall be entitled to a benefit, payable in accordance with Article III below, which is expressed as a single sum equal to the excess (if any) of: (a) minus (b), over (c), where

- (a) is the Participant’s or surviving beneficiary’s single sum benefit under the Pension Plan, computed under the provisions of the Pension Plan without regard to the Limitations,

- (b) is the Participant's or surviving beneficiary's single sum benefit under the Pension Plan, computed taking into account the Limitations, and
- (c) is the single sum amount of the Participant's benefit under the Grandfathered Plan (if any).

2.2 Adjustment Through the Payment Date. The single sum benefit described in Section 2.1 above shall be increased with interest, as provided under the Crediting of Interest section of the Pension Plan, from the first day of the month following the month in which the applicable payment event described in Section 3.2 occurs, until the date payments commence in accordance with Section 3.2 below. If the form of payment elected by the Participant in accordance with Section 3.1(a) below is other than a single sum, the benefit payable in the elected form shall be calculated based on the single sum as of the date on which payments commence, in accordance with the provisions of the Pension Plan.

26

ARTICLE III

PAYMENT OF BENEFITS

3.1 Form of Payment.

(a) Participants as of December 31, 2007.

- (i) With respect to any individual who is a Participant in the 409A Plan as of December 31, 2007, benefits payable under this 409A Plan shall be paid in the form selected by the Participant from among the forms offered by the Pension Plan. Such election shall be made in writing, on such form as the Company may require, prior to December 31, 2008, in a manner consistent with transition guidance under Code section 409A, and shall be available to Participants whose distribution date or dates would fall after December 31, 2008.
- (ii) A Participant described in this Section 3.1(a) who has elected a life annuity form of distribution as defined in Treas. Reg. §1.409A-2(b)(2)(ii) may, at any time before any annuity payment has been made, elect to change such form of distribution to an actuarially equivalent life annuity of another type in accordance with Treas. Reg. §1.409A-2(b)(2)(ii).
- (iii) A Participant described in this Section 3.1(a) may elect to change his or her election as to the form of distribution again after December 31, 2008, provided that:
 - (a) the Participant has not previously made an election change under this Section

(a) the Participant has not previously made an election change under this Section 3.1(a)(iii); (b) such election change will not take effect until 12 months after the date on which the election change is made, (c) a Participant is an employee of the Company or its affiliates on the date such election is made; and (d) payment will be deferred for a period of five years from the date such payment would otherwise be made, in accordance with Treas. Reg. §1.409A-2(b)(1).

27

All elections under this Section 3.1(a) shall be made in accordance with rules and procedures established by the Plan Administrator.

(b) Participants After December 31, 2007.

With respect to any Participant who becomes a Participant on or after January 1, 2008, benefits payable under the 409A Plan shall be paid in a single sum.

3.2 Timing of Payment

(a) Separation from Service.

(i) Benefits paid on account of the Participant's Separation from Service shall be paid (or commence to be paid) on the first day of the seventh month following the date on which the Participant's Separation from Service occurs. However, if a Participant has made a subsequent change to his or her elected form of payment after December 31, 2008 pursuant to Section 3.1(a)(iii) above, payment shall commence on the five year anniversary of the date on which such payment would otherwise be made, in accordance with Treas. Reg. §1.409A-2(b)(1).

(ii) For purposes of this 409A Plan, the Participant's "Separation from Service" means a separation from service with the Company and its affiliates within the meaning of Treas. Reg. § 1.409A-1(h). A Participant on medical leave for a period of more than twenty nine (29) months shall be deemed to have a Separation from Service on the day following the end of the 29th month of medical leave. For purposes of this paragraph, a medical leave is a leave of absence due to a medically determined physical or mental impairment that can be expected to result in death or to last for a continuous period of at least six months, where such impairment causes the employee to be unable to perform the duties of

28

his or her position of employment or any substantially similar position of employment.

(b) Death.

(i) Pre-Retirement Death Benefit. If the Participant dies before his or her Separation from Service, benefits will be paid (or commence to be paid) in the applicable form under Section 3.1 as soon as reasonably practicable after the Participant's death, but in all events within 90 days after the Participant's death. For the avoidance of doubt, if such 90-day period ends in the taxable year following the taxable year in which the Participant's death occurs, neither the Participant nor any beneficiary shall have the right to designate the taxable year in which the benefits will be distributed.

(ii) Post-Retirement Death Benefit. If the Participant dies after Separation from Service but before payments commence under Section 3.2(a) above, his or her beneficiary will be entitled to receive the benefit (if any) that such beneficiary would have received if the Participant had commenced receiving benefits under the 409A Plan immediately prior to his or her death in the form elected under Section 3.1 above; provided, however, that if the Participant's benefits are payable in a single sum, then the beneficiary shall receive the single sum that would otherwise have been payable to the Participant, on the date that the Participant would have received such payment under Section 3.2(a) above. For the avoidance of doubt, no benefits will be payable pursuant to this Section

29

3.2(b)(ii) if the form of payment elected under Section 3.1 was a straight life annuity.

(iii) Beneficiary. For purposes of this Article III, "beneficiary" shall mean the beneficiary designated by the Participant pursuant to such forms and procedures as may be required by the Plan Administrator. In the absence of a beneficiary designation hereunder, the term "beneficiary" shall mean the Participant's beneficiary determined pursuant to the NSTAR Pension Plan.

ARTICLE IV

ADMINISTRATION; CLAIMS

The 409A Plan shall be administered and construed by the Plan Administrator in his or her

sole discretion. The Plan Administrator may delegate administrative tasks under the 409A Plan to employees of the Company or its affiliates or others. The Plan Administrator shall make all determinations with respect to claims for benefits hereunder, in accordance with the provisions of Part I of the SERP Program Document. All decisions, interpretations and determinations made by the Plan Administrator relating to the 409A Plan will be made in his or her sole discretion, and will be final and conclusive and binding on all persons.

ARTICLE V

AMENDMENT AND TERMINATION

The 409A Plan may be amended or terminated at any time and in any respect by the Company or the Committee; provided, however that the 409A Plan shall only be terminated to the extent, and in a manner, permitted by Code section 409A. No amendment or termination shall reduce or otherwise adversely affect the rights of any Participant or his or her beneficiary to benefits accrued under the 409A Plan immediately prior to such amendment or termination without his or her prior written consent, and no amendment or termination following a Change of

30

Control shall eliminate or reduce the Company's or its affiliates' obligations to deposit assets in the grantor trust as described in Article I. Furthermore, following a Change of Control, this Article V may not be amended.

ARTICLE VI

Governing Law

The 409A Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, to the extent such laws are not preempted by ERISA.

31

APPENDIX A

"CHANGE OF CONTROL"

For the purposes of this 409A Plan, a "Change of Control" shall mean:

a. The acquisition by any Person (or more than one Person acting as a group) of ultimate beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of (i) more than 50% of the then outstanding common shares (or shares of common stock) of the Parent (the "Outstanding Parent Common Shares") or (ii) 30% or more of the combined voting

power of the then outstanding voting securities of the Parent entitled to vote generally in the election of trustees (or directors) (the “Outstanding Parent Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Parent, (ii) any acquisition by the Parent or an affiliate of the Parent, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Parent, the Company or any affiliates of the Parent or (iv) any acquisition by any Person pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Appendix A; or

b. Individuals who, as of the date hereof, constitute the Board of Trustees of the Parent (the “Incumbent Board”) cease for any reason to constitute at least a majority of such board; provided, however, that any individual becoming a trustee (or director) subsequent to the date hereof whose election, or nomination for election by the Parent’s shareholders, was approved by a vote of at least a majority of the trustees (or directors) then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or

A-1

removal of trustees (or directors) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than such board; or

c. Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Parent (a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Parent Common Shares and Outstanding Parent Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, immediately following such Business Combination 50% or more of, respectively, the then outstanding common shares (or shares of common stock) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of trustees (or directors), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Parent or all or substantially all of the Parent’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Parent Common Shares and Outstanding Parent Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business

Combination or any employee benefit plan (or related trust) of the Parent or the Company or such entity resulting from such Business Combination) ultimately beneficially owns, directly or indirectly, more than 50% of, respectively, the then outstanding common shares or shares of common stock of the entity resulting from such Business Combination or 30% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of trustees (or

A-2

board of directors) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board of Trustees of the Parent, providing for such Business Combination; or

d. Approval by the shareholders of the Parent of a complete liquidation or dissolution of the Parent.

e. Notwithstanding anything contained in this Appendix A or the Plan to the contrary, the merger transactions contemplated by the Agreement and Plan of Merger dated October 16, 2010 (the “Merger Agreement”), among NSTAR, Northeast Utilities, NU Holding Energy 1 LLC (“Acquisition Sub”), and NU Holding Energy 2 LLC (“Merger Sub”), pursuant to which, among other things, Merger Sub was merged with and into NSTAR and immediately thereafter NSTAR was merged with and into Acquisition Sub, shall not be considered a Change of Control for the purposes of this Plan. In addition, the transaction in which the name of the Parent was changed from Northeast Utilities to Eversource shall not constitute a Change in Control for purposes of this Plan.

For purposes of this Appendix A, the term “Parent” shall mean Eversource, or, if any entity shall own, directly or indirectly through one or more subsidiaries, more than 50% of the outstanding common shares of Eversource, such entity, and (ii) the term “Person” shall mean any individual, corporation, partnership, company, limited liability company, trust or other entity, which term shall include a “group” within the meaning of Section 13(d) of the Securities Act of 1934, as amended.

A-3

PART B

NSTAR SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN II —

GRANDFATHERED PLAN

GRANDFATHERED PLAN

as in effect on OCTOBER 3, 2004

APPENDIX B

“GRANDFATHERED BENEFIT AMOUNT”

The Grandfathered Benefit Amount shall be determined in accordance with the terms of the Grandfathered Plan as in effect on October 3, 2004. This Appendix B is intended to memorialize the methodology for calculating the Grandfathered Benefit Amount. Subject to the foregoing, the Grandfathered Benefit Amount shall be calculated as follows, with reference to the following

Table I:

1. 409A Grandfathered Annuity (annual amount): the amount in Table I Column 2.
2. 409A Grandfathered Lump Sum: the amount in Table I Column 1.

APPENDIX B

TABLE I

| Participant Name ⁽¹⁾ | 12/31/04 Accrued/Vested Lump Sum Benefit | 12/31/04 Accrued/Vested Annuity Benefit ⁽²⁾ |
|---------------------------------|------------------------------------------------|-----------------------------------------------------------|
| | Excess Plan | Excess Plan |
| | <i>Column 1</i> | <i>Column 2</i> |
| Thomas J. May | \$ 4,459,730 | \$ 444,037 |
| James J. Judge | 598,911 | 37,595 |
| | | |
| Joseph R. Nolan Jr. | 310,963 | 18,111 |
| Ellen K. Angley | 74,493 | 4,512 |
| | | |
| Philip J. Lembo | 21,906 | 1,375 |
| Neven Rabadjija | 25,014 | 1,603 |
| Richard J. Morrison | 23,331 | 1,527 |

B-1

⁽¹⁾ Table includes only those participants with an accrued benefit in the Supplemental Executive Retirement Plan II as of January 1, 2014.

⁽²⁾ Determined by converting the amounts in Column 1, to an annual single-life annuity using the NSTAR Pension Plan annuity conversion factors as in effect at 12/31/04 for a benefit commencing 12/31/04.

B-2

IN WITNESS WHEREOF, Eversource has caused this Plan, which consists of the 409A Plan and the Grandfathered Plan, to be approved substantially in the form as attached hereto and

executed pursuant to authority duly delegated by its Compensation Committee.

By: /s/ CHRISTINE M. CARMODY
Senior Vice President- Human Resources
Eversource Energy Service Company

32

*Eversource
Supplemental Executive
Retirement Plan
(NU)*

As of January 1, 2015

33

PART IV

EVERSOURCE SUPPLEMENTAL EXECUTION RETIREMENT PLAN (NU)

ARTICLE I

PURPOSE

The purpose of this NU Plan is to provide certain executives with: (a) the benefits that would have been provided to them under the Pension Plan if compensation and benefits were not subject to the limitations imposed by Sections 401(a)(17) and 415 of the Code and if annual awards to Participants under Eversource's executive incentive plans and other similar plans which may be adopted from time to time, each an "Incentive Plan" and in the aggregate, "Incentive Plans") were included in the benefit calculations under the Pension Plan, and/or (b) a supplemental retirement benefit for certain executives in addition to the retirement benefit provided under the Pension Plan and the benefits described in clause (a) above. The Plan is not intended to meet the qualification requirements of Section 401 of the Code.

ARTICLE II

DEFINITIONS

When used herein with initial capital letters, each of the following terms shall have the corresponding meaning set forth below unless a different meaning is plainly required by the context in which the term is used:

2.1 **"Actuarial Equivalent"** or **"Actuarially Equivalent"** shall mean equivalence in value between two or more forms determined on the basis of the assumptions used in the Pension Plan (as, and to the extent that, such assumptions may be revised from time to time) for determining actuarial equivalence between different forms of benefit at the time of such

34

determination. Actuarial Equivalence between a joint and survivor Annuity and a straight life Annuity shall be determined by disregarding subsidized survivor Annuity benefits.

2.2 **"Annuity"** shall mean a form of benefit payment that: (a) provides a series of substantially equal periodic payments, payable not less frequently than annually, for the life (or life expectancy) of the Participant or the joint lives (or life expectancies) of the Participant and his or her designated beneficiary, and (b) is a form of annuity made available under the Pension Plan at the Benefit Commencement Date that is Actuarially Equivalent to a straight life annuity.

2.3 **"Benefit Commencement Date"** shall mean the date on which payment of a Participant's Make-Whole Benefit and/or Target Benefit, if any, commences, as provided in Article VI of this Plan.

2.4 **"Board"** shall mean the Board of Trustees of Eversource

2.4 **“Board”** shall mean the Board of Trustees of Eversource.

2.5 **“Cause”** shall have the meaning provided in the Eversource Special Severance Program (or a successor plan of comparable intent as determined by the Plan Administrator).

2.6 **“Code”** shall mean the Internal Revenue Code of 1986, as amended.

2.7 **“Committee”** shall mean the Compensation Committee that has been established by the Board, or any subsequent committee of the Board that has primary responsibility for compensation policies. In the absence of such a committee, “Committee” shall mean the Board or any committee of the Board designated by the Board to perform the functions of the Committee under the Plan.

2.8 **“Compensation”** shall have the same meaning as provided in the Pension Plan, but shall also include (i) amounts disregarded pursuant to Section 401(a)(17) of the Code, (ii) amounts (included in compensation as earned) receipt of which is deferred by a Participant pursuant to a plan or agreement which is not qualified under the Code, and, (iii) for any period in

question, annual awards under the Incentive Plan to the extent made with respect to performance during such period, each such award to be allocated on a pro rata basis to each of the calendar months in the period to which it relates. Notwithstanding the above, Long-Term Incentive Compensation Awards made under Incentive Plans after November 1, 2001 shall not be included in Compensation for purposes of this Plan; provided, however, that (x) each individual who was a Participant prior to November 1, 2001 shall have credited to his or her Compensation in February each year while a Participant, in the same manner as such amount was credited in 2001, the “target” value of the stock option grants made to such Participant in February, 2001 for purposes of the Make-Whole Benefit and, (y) if such individual was a Participant in the Target Benefit prior to October 2003, for purposes of the Target Benefit as well. For purposes of computing the value of a Participant’s awards under the Incentive Plans, awards made in common shares of Northeast Utilities shall be valued by multiplying the per share New York Stock Exchange closing price on the date the award is approved by the Board by the number of shares awarded to such Participant. Notwithstanding the foregoing, if a Participant may become entitled to receive an award or awards under the Incentive Plans, and if the amount of such award(s), if any, will be determined after the Participant’s Benefit Commencement Date, then a provisional calculation of the Participant’s Compensation during the period to which such award(s) relates (hereinafter the “Provisional Calculation”) shall be made on or before the Participant’s Benefit Commencement Date, and benefits payable to the Participant under this Plan shall be based upon the Participant’s Compensation as determined under the Provisional Calculation until such calculation is replaced

as hereinafter provided. A Participant's Compensation shall be determined under the Provisional Calculation by including the target amount of any award to the Participant under the Incentive Plans as Compensation in the period

36

to which the award relates. The Provisional Calculation shall be replaced by a permanent calculation of Compensation (hereinafter the "Permanent Calculation") as soon as administratively practicable after the amount of all awards that the Participant may become entitled to receive under the Incentive Plans has been determined, and as of such date the Participant's benefit under this Plan shall be recalculated and promptly paid based upon the Participant's Compensation as determined under the Permanent Calculation. The Permanent Calculation of a Participant's Compensation shall be determined by including as Compensation the amount of awards, if any, to the Participant under the Incentive Plans that are determined after the Participant's Benefit Commencement Date. If the amount of the Participant's benefit under this Plan as determined under the Permanent Calculation is greater than the amount of such benefit as determined under the Provisional Calculation, then the Employer shall make a lump sum payment to the Participant within 30 days following the date on which the Permanent Calculation is determined (which shall not be later than the first taxable year of the Participant in which the calculation of the Permanent Calculation is administratively practicable) equal to the difference between: (a) the sum of the benefit payment(s) that would have been made to the Participant hereunder from the Benefit Commencement Date until the date on which the Permanent Calculation was determined if such benefit(s) had been calculated based on the Participant's Compensation as determined under the Permanent Calculation, and (b) the actual benefit payment(s) made to the Participant hereunder for such period. If the amount of the Participant's benefit under this Plan as determined under the Permanent Calculation is less than the amount of such benefit as determined under the Provisional Calculation, then each of the Participant's benefit payments after the date on which the Permanent Calculation is determined shall be reduced by the amount by which each benefit payment determined under the Provisional

37

Calculation exceeded the benefit payment that would have been made under the Permanent Calculation until such time as the total amount of said reductions equals the difference between: (i) the actual benefit payment(s) made to the Participant hereunder from the Benefit Commencement Date until the date on which the Permanent Calculation was determined, and (ii) the sum of such

Date until the date on which the Permanent Calculation was determined, and (ii) the sum of such benefit payment(s) that the Participant would have received hereunder for such period if such benefit had been calculated based on the Participant's Compensation as determined under the Permanent Calculation.

2.9 “Compensation Limit Benefit” shall mean that portion of the Make-Whole Benefit determined disregarding the limitation of Section 401(a)(17) of the Code.

2.10 “Credited Service” shall mean the Participant's Credited Service under the Pension Plan but shall exclude any additions to such Credited Service pursuant to any retirement incentive program.

2.11 “Disability” shall mean the Participant's receipt of long-term disability benefits under the long-term disability program of the Northeast Utilities Service Company Flexible Benefits Plan, as may be amended from time to time, or its successor plan.

2.12 “Eligible Employee” shall mean a person specifically designated by the Plan Administrator as eligible to participate in the Plan and who is: (a) employed by an Employer on a regular full-time salaried basis, (b) designated an officer (excluding any assistant officers) of an Employer with a title of, or position similar to, Vice President or of any higher rank or who is otherwise approved by the Plan Administrator for participation, (c) who is a participant in the Pension Plan, and (d) who does not have an agreement with the Company to be eligible for other benefits under the SERP Program or any other program of supplemental retirement benefits

maintained by the Company to substitute for or be additional to the benefits provided under the Plan.

2.13 “Employer” includes, individually and/or collectively as the context requires, the Company, Northeast Utilities (“NU”), Northeast Utilities Service Company (“NUSCO”), any successor to either company, and certain other entities in which Eversource holds, directly or indirectly, more than a 50 percent voting interest and that have approved and adopted this Plan pursuant to Article XIV, whether or not an individual Employer directly compensates the Participant or the Participant appears on the payroll of such Employer; provided that, for purposes of this Plan, NSTAR and its affiliates (other than NU and its historical affiliates) (“Excluded NSTAR Companies”) shall not be included.

2.14 “Final Average Compensation” shall mean a Participant's highest average annual Compensation earned for Credited Service during any 36 consecutive months (or lesser actual period of receiving compensation) preceding the calendar month in which the Participant's Credited Service ends. In determining a Participant's 36 consecutive months of highest average

annual Compensation, periods during which the Participant was not receiving Compensation shall be disregarded.

2.15 “Incentive Plan” or “Incentive Plans” shall have the meaning given such terms in Article I.

2.16 “Long-Term Incentive Compensation Awards” shall mean those awards under Incentive Plans which are intended to reward performance over a performance period of more than one year, including: (a) performance units, restricted stock and similar awards, whether in cash or shares, which by their terms do not vest within a year from the grant date ; and (b) stock

39

options and stock appreciation rights. Annual bonus amounts payable in forms other than cash shall not be considered Long-Term Incentive Compensation Awards for purposes of this Plan.

2.17 “Make-Whole Benefit” shall mean the benefit described in Article IV.

2.18 “NU System Employee” means a person employed by NU or by any entity in which NU holds, directly or indirectly, more than a 50 percent voting interest, whether or not such entity is an Employer, but excluding any employee of any NSTAR Excluded Company.

2.19 “Participant” shall mean an Eligible Employee of the Employer who is eligible to participate in the Plan pursuant to Article III.

2.20 “Plan Administrator” shall mean the Plan Administrator, as defined in Part I of the SERP Program Document and, to the extent a trust is established in accordance with Article XI, the trustee of such trust, their respective duties to be subject to written agreement between such Plan Administrator and such trustee.

2.21 “Specified Employee” shall mean an Employee who, at any time during the 12-month period ending on the identification date, is a “specified employee” under Section 409A of the Code, as determined by the Committee or the Board.

2.22 “Target Benefit” shall mean the benefit described in Article V.

ARTICLE III

PARTICIPATION

3.1 Make-Whole Benefit Participants: Each Eligible Employee shall be a Participant in the Plan with respect to the Make-Whole Benefit described in Article IV.

3.2 Target Benefit Participants: Each Eligible Employee with a title of Senior Vice President, or more senior ranking officer of the Employer, shall be a Participant in the Plan with respect to the Target Benefit described in Article V if approved by the Board for such

participation before April 10, 2012. The Target Benefit shall be closed as of such date to all other employees.

ARTICLE IV

MAKE-WHOLE BENEFIT

If a Participant is a Make-Whole Benefit Participant described in Article III hereof and such Participant's employment as an NU System Employee terminates after the Participant has satisfied the requirements for early, normal or deferred retirement under the Pension Plan, such Participant shall be entitled to receive from the Employer under this Article an annual benefit having a value equal to the excess, if any, of (a) over (b), where:

(a) is the annual benefit that would be payable to the Participant under the Pension Plan, calculated (i) without the limitations imposed by Sections 401(a)(17) and 415 of the Code and (ii) by substituting the definition of "Compensation" set forth in this Plan for the definition of "Compensation" set forth in the Pension Plan, and

(b) is the annual benefit payable to the Participant under the Pension Plan, calculated in accordance with the terms of the Pension Plan.

For purposes of this Article IV, the annual benefit under the Pension Plan shall be determined as a 33 1/3% joint and survivor Annuity provided the Participant is married on his or her retirement date and the Participant's spouse is his or her contingent annuitant, or in the form of a straight life Annuity if the Participant is not married on his or her retirement date or if a married Participant's spouse is not his or her contingent annuitant (regardless of whether or not such benefits are actually paid in such form) commencing on the Benefit Commencement Date (whether or not the Pension Plan benefit is paid on such Benefit Commencement Date) and calculated in accordance with the assumptions provided in the Pension Plan for purposes of

determining the accrued benefit thereunder with respect to Benefit Commencement Dates occurring on or after the Participant's attainment of age 55.

ARTICLE V

TARGET BENEFIT

If a Participant is a Target Benefit Participant described in Article III hereof and such Participant's employment as an NU System Employee terminates on or after attainment of age 60

(or earlier, if the Board so provides pursuant to Article X) and such Participant is then entitled to receive a vested benefit under the Pension Plan, such Participant shall be entitled to receive a benefit from the Employer under this Article having a value equal to the excess, if any, of (a) over (b), where:

(a) equals a lifetime benefit in an annual amount equal to (i) 50 percent (60 percent in the case of a Participant whose participation in the Plan with respect to the Target Benefit is effective before February 1, 2005) of the Participant's Final Average Compensation multiplied by (ii) the ratio of the Participant's Credited Service at the date his or her Credited Service ends to twenty-five years (such ratio not to exceed one), which annual amount shall be reduced, if payment of the Target Benefit commences prior to the Participant's attainment of age 65, with such reduction to be determined in accordance with the factors set forth in the Pension Plan applicable to retirement benefits of employees retiring on an early retirement date. Credited Service and age are to be determined for purposes of this subsection (a) after taking into account any additions to age and/or Credited Service pursuant to any retirement incentive program; and

(b) equals the sum of (i) the annual benefit payable to the Participant under the Pension Plan plus (ii) the annual Make-Whole Benefit payable to the Participant pursuant to Article IV of this Plan, both such annual benefits expressed in the form of a 50% joint and

42

survivor Annuity which is calculated on the basis that the unreduced form of payment is a 33 1/3% joint and survivor Annuity, provided the Participant is married on his or her retirement date and the Participant's spouse is his or her contingent annuitant, or in the form of a straight life Annuity if the Participant is not married on his or her retirement date or if a married Participant's spouse is not his or her contingent annuitant (regardless of whether or not such benefits are actually paid in such form) commencing on the Benefit Commencement Date (whether or not the Pension Plan benefit is paid on such Benefit Commencement Date).

Notwithstanding the foregoing, if a Participant's employment as an NU System Employee terminates on account of his or her Disability, such Participant's Target Benefit hereunder shall be reduced (but not below zero) by the annual amount of benefits payable to the Participant under all group long term disability plans and policies of the Employer that are attributable to contributions made by the Employer.

ARTICLE VI

PAYMENT OF MAKE-WHOLE AND TARGET BENEFIT

The Make-Whole Benefit and the Target Benefit, if any, shall be paid to the Participant in the form of (x) a 50% joint and survivor Annuity, if the Participant is married on his or her Benefit Commencement Date, or (y) a straight life Annuity if the Participant is not married on his or her Benefit Commencement Date, in either case commencing on the first day of the month following the later of the month in which (i) the Participant's employment as an NU System Employee terminates, or (ii) the month in which the Participant attains age 55. A Participant may instead select payment in the form of any Actuarially Equivalent Annuity made available under the Pension Plan at the Benefit Commencement Date, provided that such election is filed with the Plan Administrator before the Benefit Commencement Date.

With respect to the Make-Whole Benefit, for a married Participant whose spouse is the contingent annuitant, the life Annuity form of payment includes a fully subsidized 33 1/3% contingent Annuity to the Participant's spouse, and other Annuity forms of payment available under the Pension Plan shall be calculated on the basis that the life Annuity with the fully subsidized 33 1/3% contingent Annuity to the Participant's spouse is the normal form of benefit, before conversion. With respect to the Target Benefit, for a married Participant whose spouse is the contingent annuitant, the survivor benefit payable under the 50% joint and survivor Annuity form of payment shall be fully subsidized and other Annuity forms of payment available under the Pension Plan shall be calculated on the basis that the fully subsidized 50% joint and survivor Annuity is the normal form of benefit, before conversion. Notwithstanding the foregoing, no straight life Annuity form of payment is available with respect to the Make-Whole Benefit or the Target Benefit for a married Participant; only a life Annuity with a 33 1/3% contingent Annuity to the Participant's spouse is payable. Both the Make-Whole Benefit and the Target Benefit must be paid in the same form of Annuity. The calculation of benefits payable under the various forms provided in this Article VI shall be determined substantially in accordance with the sample calculations set forth in Addenda 1, 2 and 3 to this Plan.

Anything in this Plan to the contrary notwithstanding, payment to any Specified Employee upon termination of employment shall not commence until the date that is six months after the date of the Specified Employee's separation from service (as determined by the Plan Administrator in accordance with the regulations issued under Section 409A of the Code) (or, if earlier, within 90 days of the date of death of such Specified Employee, in which case the provisions of Articles VII and VIII shall apply). Any payment due within such six-month period

will be adjusted to reflect the deferred payment date by multiplying the payment by: the product of: (a) the interest discount rate used for financial accounting purposes to compute the present value liability of the Plan for its actuarial valuation for the plan year immediately preceding the Specified Employee's termination of employment, and (b) a fraction, the numerator of which is the number of days by which such payment was delayed and the denominator of which is 365. The adjusted Annuity payments to which such Specified Employee would otherwise be entitled during such six months shall be accumulated and paid on the first Annuity payment date of the seventh month following termination of employment. The provisions of this paragraph to the contrary notwithstanding, a payment to or on behalf of a Participant shall be accelerated if payment is required to be made to an individual other than the Participant to fulfill a domestic relations order as defined in Section 414(p)(1)(B) of the Code.

The provisions of this Article VI to the contrary notwithstanding, a payment to a Participant (or his or her designated beneficiary) may be delayed to a date after the designated Benefit Commencement Date if calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant (or his or her designated beneficiary) and such delay is for reasons that are commercially reasonable, provided that payment is made as soon as payment is administratively practicable.

ARTICLE VII

PRE-RETIREMENT DEATH BENEFIT WITH RESPECT TO MAKE-WHOLE BENEFIT

If the spouse of a Participant with respect to the Make-Whole Benefit is entitled to a pre-retirement death benefit under the Pension Plan, said spouse shall be entitled to receive from the Employer an annual death benefit under this Plan payable in the form of a straight life Annuity for the life of the spouse equal to the difference between: (a) the annual death benefit that would

be payable to said spouse under the Pension Plan as of the later of the date on which the Participant would have attained age 55 and the date of the Participant's death, but calculated based on the benefit described in clause (a) of Article IV, and (b) the annual death benefit payable to said spouse under the Pension Plan calculated on the assumption that such death benefit is payable as of the later of the date on which the Participant would have attained age 55 or the date of the Participant's death. Payments of such pre-retirement death benefit with respect to the Participant's Make-Whole

Benefit shall commence on the first day of the month following the later of the date the Participant would have attained age 55 or 30 days after the date of the Participant's death; provided, however, if the Participant had attained age 45 and completed 20 or more years of service under the Pension Plan at the date of death, payment shall be made not later than 30 days following the date of death.

No death benefit with respect to a Make-Whole Benefit other than that set forth above shall be payable under this Plan if a Participant dies prior to the Participant's Benefit Commencement Date.

ARTICLE VIII

PRE-RETIREMENT DEATH BENEFIT WITH RESPECT TO TARGET BENEFIT

If (x) a Participant with respect to the Target Benefit should die after having become vested with respect to a Target Benefit but prior to the Participant's Benefit Commencement Date, or at a time when he or she would have become vested upon termination of employment as an NU System Employee, in accordance with Article X, and (y) such Participant's spouse is entitled to a death benefit under the Pension Plan, said spouse shall be entitled to receive a death benefit in the form of monthly payments for the life of the spouse in an amount equal to 50% of the Participant's Target Benefit calculated on the assumption that the Target Benefit was payable as a straight life Annuity to a married Participant as of the later of the date on which the

46

Participant would have attained age 55 and the date of the Participant's death. Payment of such pre-retirement death benefit with respect to the Participant's Target Benefit shall commence on the first day of the month following the later of the date the Participant would have attained age 55 or the date of the Participant's death.

No death benefit with respect to a Target Benefit other than that set forth above shall be payable under this Plan if a Participant dies prior to the Benefit Commencement Date.

ARTICLE IX

POST-RETIREMENT DEATH BENEFIT

No death benefit shall be payable under this Plan in the event of a Participant's death following his or her Benefit Commencement Date except in accordance with the Annuity option elected by such Participant or pursuant to which benefits were automatically paid to such Participant as provided in Article VI.

ARTICLE X

FORFEITURE

A Participant shall be vested and shall have a nonforfeitable right with respect to: (a) the

Make-Whole Benefit if such Participant is a Make-Whole Benefit Participant under Article III hereof and such Participant terminates his or her employment as an NU System Employee after meeting the requirements for early, normal or deferred retirement under the Pension Plan, and (b) the Target Benefit if such Participant is a Target Benefit Participant under Article III hereof and such Participant's employment as an NU System Employee terminates on or after attainment of age 60, or such earlier age established by the Board at the time the Employee's eligibility for the Target Benefit is established. Notwithstanding the foregoing, if a Participant shall be discharged for Cause, or performs acts of willful malfeasance or gross negligence in a matter of material importance to the Employer, payments that thereafter would have been payable to the Participant

or such Participant's spouse or beneficiary may, at the sole discretion of the Plan Administrator, be forfeited, and the Employer shall have no further obligation hereunder to the Participant or such Participant's spouse; provided, however, that the forfeiture provisions of this Article X, as such provisions apply to a Target Benefit, may be amended by the express terms of a written agreement, approved by the Plan Administrator, between Eversource and a Participant.

ARTICLE XI

FUNDING

Benefits payable under this Plan shall be "unfunded," as that term is used in Sections 201(2), 301(a)(3), 401(a)(1) and 4021(a)(6) of the Employee Retirement Income Security Act of 1974, as amended, with respect to unfunded plans maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees, and the Plan Administrator shall administer this Plan in a manner that will ensure that benefits are unfunded and that Participants will not be considered to have received a taxable economic benefit prior to the time at which benefits are actually payable hereunder. Accordingly, the Employer shall not be required to segregate or earmark any of its assets for the benefit of Participants or their spouses or other beneficiaries, and each such person shall have only a contractual right against the Employer for benefits hereunder. The Company may from time to time establish a trust and deposit with the trustee thereof funds to be held in trust for the payment of benefits hereunder, provided, that the use of such funds for such purpose shall be subject to the claims of the Company's general creditors as set forth in the agreement establishing any such trust. The rights and interests of a Participant under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge or encumbrance by a Participant or any person claiming under or through a Participant, nor shall they be subject to the debts, contracts,

liabilities or torts of a Participant or anyone else prior to payment, except as otherwise

48

provided in Article VI to fulfill a domestic relations order as defined in Section 414(p)(1)(B) of the Code.

ARTICLE XII

ADMINISTRATION

The Plan shall be administered by the Plan Administrator. The calculation of all benefits payable under the Plan shall be performed by the Plan Administrator. The Plan Administrator shall have the sole discretion to determine all questions arising in connection with the Plan, to interpret the provisions of the Plan and to construe all of its terms, to adopt, amend, and rescind rules and regulations for the administration of the Plan, and generally to conduct and administer the Plan and to make all determinations in connection with the Plan as may be necessary or advisable. All such actions of the Plan Administrator shall be conclusive and binding upon all Participants, former Participants, spouses and other persons.

ARTICLE XIII

CLAIMS PROCEDURE

The Plan Administrator shall make initial determinations with respect to all claims for benefits hereunder, in accordance with the provisions of Part I of the SERP Program Document. Notwithstanding the foregoing, if, with respect to a Participant, the forfeiture provisions of Article X are amended by the terms of a written agreement as provided in such Article, the claims procedure, if any, set forth in such written agreement shall supersede the claims procedure set forth in this Article and Part I of the SERP Program Document with respect to the Target Benefit of such Participant.

49

ARTICLE XIV

ADOPTION BY EMPLOYER, OBLIGATIONS OF EMPLOYER

(a) At the earliest feasible time or times, Eversource shall cause each entity other than an NSTAR Excluded Company in which it now or hereafter holds, directly or indirectly, more than a 50 percent voting interest and that has not less than 50 employees on its direct payroll to approve and adopt this Plan and, by such approval and adoption, to be bound by the terms hereof.

(b) Benefits under this Plan shall, in the first instance, be paid and satisfied by Eversource, whether from a trust set up as provided in Article XI or otherwise. If Eversource shall be dissolved or for any other reason shall fail to pay and satisfy such benefits, through such trust or otherwise, each individual Employer shall pay and satisfy its share of such benefits, such share to be the ratio of the Participant's Compensation, as defined in this Plan, charged to such Employer during the three calendar years immediately preceding the year in which the Participant's employment as an NU System Employee terminates to the total of the Participant's Compensation charged to all Employers during the same period.

(c) The Declaration of Trust of Eversource provides that no shareholder of Eversource shall be held to any liability whatever for the payment of any sum of money, or for damages or otherwise under any contract, obligation or undertaking made, entered into or issued by the trustees of Eversource or by any officer, agent or representative elected or appointed by the trustees and no such contract, obligation or undertaking shall be enforceable against the trustees or any of them in their or his individual capacities or capacity and all such contracts, obligations and undertakings shall be enforceable only against the trustees as such and every person, firm, association, trust and corporation having any claim or demand arising out of any

50

such contract, obligation or undertaking shall look only to the trust estate for the payment or satisfaction thereof. Any liability for benefits under this Plan incurred by Eversource shall be subject to the foregoing provisions of this Subsection (c).

ARTICLE XV

MISCELLANEOUS

15.1 Amendment or Termination. The Board or the Committee may amend or discontinue the Plan at any time; provided, however, that no amendment or discontinuation shall diminish the Employer's obligation to provide any benefits accrued to the date of such amendment or discontinuation. For purposes of the foregoing, "benefits accrued" shall mean the value of a Participant's benefit under the Plan, as of the date of amendment or discontinuation of the Plan: (a) with respect to Make-Whole Benefit Participants described in Article HI, based upon such Participant's Compensation, Final Average Compensation, Credited Service and Pension Plan benefit as of such date, and (b) with respect to Target Benefit Participants described in Article III, based upon such Participant's Final Average Compensation, Credited Service, Pension Plan

based upon such Participant's Final Average Compensation, Credited Service, Pension Plan benefit and Make-Whole Benefit as of such date. A Participant with an accrued but unvested benefit under the Plan as of the date of amendment or discontinuation of the Plan shall become vested with respect to such benefit upon such Participant's satisfaction of the requirements of Article IV or V, as the case may be. Notwithstanding the foregoing, it is intended that no such amendment or discontinuation of the Plan shall cause any payment that a Participant or spouse is entitled to receive under this Plan to become subject to an income tax penalty or interest under Section 409A of the Code and no such discontinuation of the Plan may be effected except in accordance with Section 1.409A-3(j)(4)(ix) of the Treasury Regulations (or applicable successor regulatory guidance).

15.2 Cost of Living Adjustments. Cost of living adjustments applicable to a Participant's benefit under the Pension Plan after the date of determination of the benefits under this Plan shall not affect the amount of the benefits under this Plan, and the provision of such adjustments under the Pension Plan shall not in any way obligate the Employer to provide an equivalent adjustment with respect to the benefits under this Plan.

15.3 Headings. Headings are included in the Plan for convenience only and are not substantive provisions of the Plan.

15.4 Applicable Law. The interpretation of the provisions and the administration of the Plan shall be governed by the laws of the State of Connecticut. Anything in this Plan to the contrary notwithstanding, the terms of this Plan shall be interpreted and applied in a manner consistent with the requirements of Section 409A of the Code and the Treasury Regulations thereunder and the Employer shall make best efforts to make any payment under this Plan except to the extent such action would not subject any Participant or spouse to the payment of any tax penalty or interest under Section 409A of the Code. The Employer shall have no obligation, however, to reimburse a Participant or spouse for any tax penalty or interest payable or provide a gross-up payment in connection with any tax liability of a Participant or spouse under Section 409A of the Code except that this provision shall not apply in the event of the Employer's negligence or willful disregard in interpreting the application of Section 409A of the Code to the Plan which negligence or willful disregard causes the Participant or spouse to become subject to a tax penalty or interest payable under Section 409A of the Code, in which case the Employer will reimburse the Participant or spouse, as the case may be, on an after-tax basis for any such tax penalty or interest not later than the last day of the taxable year next following the taxable year in which the Participant or spouse remits the applicable taxes and interest.

IN WITNESS WHEREOF, Eversource has caused this Plan, which consists of the 409A Plan and the Grandfathered Plan, to be approved substantially in the form as attached hereto and executed pursuant to authority duly delegated by its Compensation Committee.

By: /s/ CHRISTINE M. CARMODY
Senior Vice President- Human Resources
Eversource Energy Service Company

Eversource Deferred Compensation Plan

Effective January 1, 2014

Restatement Date July 1, 2015

ARTICLE 1

PURPOSE

The purpose of the Eversource Deferred Compensation Plan (the “**Plan**”) is to provide a means whereby the Company (as hereinafter defined) may afford increased financial security, on a tax-favored basis, to non-employee trustees, and a select group of “key management or other highly compensated employees” who render valuable services important to the Company’s continued growth and success, and who the Company desires to recruit and retain and encourage such productive efforts. This document represents a merger of the (1) Northeast Utilities Deferred Compensation Plan for Executives, (2) Northeast Utilities Deferred Compensation Plan for Trustees, (3) NSTAR Deferred Compensation Plan (Executives) and (4) NSTAR Deferred Compensation Plan for Trustees (together, the “**Merged Plans**”), effective as of January 1, 2014, and also reflects the change of the parent company’s name from Northeast Utilities to Eversource Energy. Amounts deferred under any of the Merged Plans prior to January 1, 2014 will be subject to the terms and conditions of this Plan, to the extent permissible under Section 409A of the Code (as hereinafter defined) and not otherwise in conflict with the terms and conditions of the prior deferrals under the Merged Plans.

The Plan is intended to constitute an unfunded “top hat” plan within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”). As a top hat plan, the Plan is not subject to the eligibility, vesting, funding or fiduciary responsibility requirements of ERISA.

ARTICLE 2

DEFINITIONS

“**Account**” means, with respect to a Participant, the account, including any subaccounts, established on the books of account of the Company to record the Participant’s interest in the Plan.

“**Affiliate**” means each direct and indirect affiliated company that as of January 1, 2014 directly or through one or more intermediaries, is controlled by, or is under common control with Eversource Energy.

“**Applicable Percentage**” means the applicable percentage used for K-Vantage Savings Plan Contributions for a particular Plan Year.

“**Beneficiary**” means the person or persons properly designated as such in accordance with the Plan.

“**Board**” means the Eversource Energy Board of Trustees.

“**Bonus**” means annual cash bonus compensation under the Incentive Plan or any other Company incentive plan for a particular Plan Year before deferral pursuant to this Plan or pursuant to any agreement or any other plan of the Company whereby compensation is deferred, including, without limitation, a plan whereby compensation is deferred in accordance with Code Section 401(k) or reduced in accordance with Code Section 125.

“Bonus Deferral” means that portion of Bonus properly deferred hereunder.

“Bonus Deferral Account” means the Plan Account holding Bonus Deferrals and any earnings thereon.

“Change of Control” means the happening of any of the following:

- (A) When any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the **“Exchange Act”**), other than the Company, its Affiliates, or any Company or Eversource Energy employee benefit plan (including any trustee of such plan acting as trustee), is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Eversource Energy representing more than 20% of the combined voting power of either (i) the then outstanding common shares of Eversource Energy (the **“Outstanding Common Shares”**) or (ii) the Voting Securities; or
- (B) Individuals who, as of the beginning of any twenty-four month period, constitute the Trustees (the **“Incumbent Trustees”**) cease for any reason to constitute at least a majority of the Trustees or cease to be able to exercise the powers of the majority of the Trustees, provided that any individual becoming a trustee subsequent to the beginning of such period whose election or nomination for election by the Company’s shareholders was approved by a vote of at least a majority of the trustees then comprising the Incumbent Trustees shall be considered as though such individual were a member of the Incumbent Trustees, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Trustees of Eversource Energy (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act); or
- (C) Consummation by Eversource Energy of a reorganization, merger or consolidation (a **“Business Combination”**), in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Outstanding Common Shares and Voting Securities immediately prior to such Business Combination do not, following consummation of all transactions intended to constitute part of such Business Combination, beneficially own, directly or indirectly, more than 75% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation, business trust or other entity resulting from or being the surviving entity in such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding Common Shares and Voting Securities, as the case may be; or

- (D) Consummation of a complete liquidation or dissolution of Eversource Energy or sale or other disposition of all or substantially all of the assets of Eversource other than to a corporation, business trust or other entity with respect to which, following consummation of all transactions intended to constitute part of such sale or disposition, more than 75% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Shares and Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding Common Shares and Voting Securities, as the case may be, immediately prior to such sale or disposition.

“Cash Retainer” means the annual cash retainer payable to a Trustee for Board service, excluding reimbursement of travel and other incidental expenses incurred for the Company’s benefit and in the course of rendering services to the Company.

“Cash Retainer Deferral” means that portion of a Trustee Cash Retainer properly deferred hereunder.

“Cash Retainer Deferral Account” means the Plan Account holding Cash Retainer Deferrals and any earnings thereon.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Board’s Compensation Committee or its delegate.

“Company” means Eversource Energy, a Massachusetts voluntary association, and any Affiliate which is authorized by the Board to adopt the Plan and cover its Eligible Employees and whose designation as such has become effective upon acceptance of such status by the board of directors of the Affiliate. An Affiliate may revoke its acceptance of such designation at any time, but until such acceptance has been revoked, all the provisions of the Plan, including the authority of the Board, the Committee and Plan Administrator, and amendments thereto shall apply to the Eligible Employees of the Affiliate. In the event the designation is revoked by the board of directors of an Affiliate, the Plan shall be deemed terminated only with respect to such Affiliate and subject to compliance with Code Section 409A.

“Disabled” or **“Disability”** means that a Participant is (A) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (B) receiving long-term disability benefits under the Employer’s LTD Plan for a period of not less than three months by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, in each case, consistent with the requirements for a “disability” for purposes of Code Section 409A.

“Earnings Crediting Options” means the options for crediting earnings to Accounts described herein.

“Eligible Employee” means an Employee who is a member of the group of selected management and/or highly compensated Employees of the Company designated by the Plan Administrator as eligible to participate in the Plan other than an individual the Company treats as an independent contractor (and an individual shall be treated as an independent contractor if payment for the individual’s services is memorialized on a Form 1099 rather than Form W-2) or any individual who has signed an agreement with the Company stating that the individual is not eligible to participate in the Plan.

“Eligible Trustee” means any person serving as an Eversource Energy Trustee for a particular Plan Year.

“Employee” means any person employed by the Company on a regular full-time salaried basis.

“Employee Participant” means an Eligible Employee who properly enrolls in or automatically is deemed to have enrolled in the Plan.

“End Termination Date” means the date of termination of Service with the Company and its Affiliates, as determined by the Plan Administrator with reference to Treasury Regulations Section 1.409A-1(h).

“Enrollment Agreement” means such properly completed, executed and filed form(s) as may be required by the Plan Administrator to make deferrals hereunder.

“Equity Award” means a stock-based award granted under the Incentive Plan, other than a stock option or stock appreciation right award.

“Equity Award Deferral” means that portion of an Equity Award properly deferred hereunder.

“Equity Award Deferral Account” means the Plan Account holding Equity Award Deferrals and any earnings thereon.

“Incentive Plan” means the Eversource Incentive Plan, as amended from time to time, and/or the NSTAR 2007 Long-Term Incentive Plan, as amended from time to time, or their successors.

“K-Vantage Compensation” means compensation used to determine K-Vantage Savings Plan Contributions for a particular Plan Year, but without imposing the Code Section 401(a)(17) limits or excluding from Savings Plan compensation any amounts deferred under this or any other nonqualified deferred compensation plan.

“K-Vantage Deferrals” means Company K-Vantage Make-Whole Contributions credited to a Participant’s K-Vantage Deferral Account under this Plan.

“K-Vantage Deferral Account” means the Plan Account holding K-Vantage Deferrals and any earnings thereon.

“K-Vantage Employee” means an Eligible Employee who receives K-Vantage Savings Plan Contributions.

“K-Vantage Make-Whole Contributions” means Company make-whole contributions under Article 5.

“K-Vantage Savings Plan Contributions” means K-Vantage contributions under the Savings Plan for a particular Plan Year.

“LTD Plan” means the applicable Company Long-Term Disability Plan, as amended from time to time.

“Participant” means a Trustee Participant or an Employee Participant.

“Plan” means this Eversource Deferred Compensation Plan, as amended from time to time.

“Plan Administrator” means the Senior Vice President - Human Resources of Eversource Energy Service Company, or his or her delegate or successor.

“Plan Year” means the 12 month period beginning on each January 1 and ending on the following December 31.

“Retirement” means: (A) a Trustee’s termination of Service on the Board, or (B) an Employee’s termination of Service with the Company, other than for “cause” as determined by the Plan Administrator, on or after the earlier to occur of:

- (a) attainment of age 65,
- (b) eligibility for pension payments under the applicable Company non-qualified supplemental retirement plan (as amended from time to time) or employment related agreement, or
- (c) attainment of age 55 after completing at least 10 Years of Service.

“Retirement Plan” means the Eversource Pension Plan, as amended from time to time.

“Salary” means annual cash base salary for a particular Plan Year, before deferral pursuant to this Plan or any agreement or any other plan of the Company whereby compensation is deferred (including, without limitation, a plan whereby compensation is deferred in accordance with Code Section 401(k) or reduced in accordance with Code Section 125), and excluding any special compensation such as overtime, bonus payments, disability insurance benefits, severance

pay or other similar distributions and Company or Affiliate contributions under any employee benefit plan or program.

“Salary Deferral” means that portion of Salary properly deferred hereunder.

“Salary Deferral Account” means the Plan Account holding Salary Deferrals and earnings thereon.

“Savings Plan” means the Eversource 401k Plan, as amended from time to time.

“Service” means: (A) the period of time a Trustee serves as a Board member, and (B) the period of an Employee’s vesting Service credited under the Retirement Plan, or, for a K-Vantage Employee, under the Savings Plan.

“Specified Employee” means an Employee who, at any time during the 12-month period ending on the identification date, is a “specified employee” under Section 409A of the Code, as determined by the Committee or the Board.

“Trustee” means a non-employee member of the Board.

“Trustee Participant” means an Eligible Trustee who properly enrolls in or automatically may be deemed enrolled in the Plan.

“Unforeseeable Emergency” means a severe financial hardship of a Participant resulting from: (A) an illness or accident of the Participant or the Participant’s spouse or dependent as defined in Code Section 152 without regard to Section 152(b)(1), (b)(2) and (d)(1)(B); (B) a loss of the Participant’s property due to casualty; or (C) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Whether a Participant has an Unforeseeable Emergency shall be determined by the Plan Administrator on the basis of all relevant facts and circumstances and with reference to Treasury Regulations Section 1.409A-3(i)(3).

“Vesting” or **“Vested”** refers to the time after which deferrals and their related earnings become non-forfeitable as provided herein.

“Voting Securities” means the common shares of Eversource Energy, par value \$5.00, or any successor security of Eversource Energy which carries the right to vote generally in the election of the Board.

“Year of Service” means each year of credited service recognized for determining vesting in a Participant’s accrued benefit under the Retirement Plan or, for a K-Vantage Employee, in K-Vantage Contributions under the Savings Plan.

ARTICLE 3 ADMINISTRATION OF THE PLAN

The Plan Administrator is hereby authorized to administer the Plan and establish, adopt, or revise such rules as it may deem necessary or advisable for the administration of the Plan. The Plan Administrator shall have discretionary authority to construe and interpret the Plan, to make determinations, including factual determinations, and to determine the rights, if any, of Participants and Beneficiaries under the Plan, which shall be final and binding upon any Participant and Beneficiary affected thereby. The Plan Administrator and members of the Committee shall be eligible to participate in the Plan while serving as such, but no such person shall vote or act upon any matter which relates solely to such person's interest in the Plan as a Participant.

ARTICLE 4 ELECTIONS TO PARTICIPATE

4.1 **Elections to Participate.** Eligible Trustees and Eligible Employees designated by the Plan Administrator may elect to participate in the Plan, or automatically may be deemed to elect participation in the Plan, as provided herein and in accordance with such rules as may be established by the Plan Administrator.

4.2 **Irrevocable Elections.** Except as otherwise provided herein and permitted by Code Section 409A, all deferral elections under the Plan shall be irrevocable.

4.3 **Affirmative Annual Elections.** Annually, Eligible Trustees and Eligible Employees may elect to participate in the Plan by filing such completed and fully executed Enrollment Agreement as may be required by the Plan Administrator before the end of the year preceding the Plan Year for which the deferral is to occur. Said Enrollment Agreement shall include: (A) an election as to the portion of any Salary, Bonus, Cash Retainer, Equity Award or other amount approved by the Plan Administrator (as applicable) that will be deferred for such Plan Year (in each case after applicable non-deferrable payroll tax deductions), and (B) an election as to the form and timing of distribution of Vested Accounts (and any earnings thereon) in accordance with the Plan, unless an automatic election as to form or timing applies hereunder.

4.4 **Affirmative Mid-Year Elections.**

(A) **Mid-Year Eligible Trustees.** The Plan Administrator may permit a Trustee who first becomes an Eligible Trustee after the beginning of a Plan Year to elect to participate in the Plan with respect to the Cash Retainer for that Year by filing an Enrollment Agreement before or within 30 days after the date of such eligibility. Such an Enrollment Agreement shall not apply to any Cash Retainer amounts paid before the date such Enrollment Agreement is filed.

(B) **Mid-Year Eligible Employees.** The Plan Administrator may permit an Employee who first becomes an Eligible Employee after the beginning of a Plan Year to file an Enrollment Agreement before or within 30 days following the date of such eligibility. Such an Enrollment Agreement shall not apply to: (i) Base Salary paid before the date such Enrollment Agreement is filed, (ii) Bonus Compensation paid for Service performed before such date, or (iii) Equity Awards granted before such date.

4.5 **Automatic Elections.**

(A) **Trustee Equity Award Retainers.** An Eligible Trustee automatically shall be

deemed to elect deferral of any annual Equity Award granted as part of the retainer for Board service for any Plan Year.

(B) **Employee K-Vantage Make-Whole Contributions.** A K-Vantage Employee automatically shall be deemed to elect deferral of any K-Vantage Make-Whole Contributions made hereunder for any Plan Year.

4.6 Cancellation of Deferral Elections.

(A) **Employee Participants.** An Employee Participant's election for a particular Plan Year shall terminate as to all further deferrals for such Plan Year other than K-Vantage and Equity Award Deferrals if such Participant: (i) must terminate such election to obtain a hardship distribution during such Plan Year under a qualified retirement plan that includes a cash or deferred arrangement under Code Section 401(k) as required by Treasury Regulations Section 1.401(k)-1(d)(3), (ii) becomes Disabled during such Plan Year, or (iii) receives an Emergency Benefit (as defined in Section 6.3(B)) under the Plan during such Plan Year.

(B) **Trustee Participants.** A Trustee Participant's Cash Retainer Deferral elections for a Particular Year shall terminate as to further deferrals for such Plan Year if such Participant (i) becomes Disabled during such Plan Year, or (ii) receives an Emergency Benefit under the Plan during such Plan Year.

ARTICLE 5 ACCOUNTS

5.1 **Accounts.** The Plan Administrator shall establish and maintain Accounts for Participants' Salary Deferrals, Bonus Deferrals, K-Vantage Deferrals, Cash Retainer Deferrals, Equity Award Deferrals and any other deferrals or credited amounts permitted by the Plan Administrator hereunder. Such deferrals, and any earnings thereon, shall be credited to Accounts as provided herein. Accounts shall be reduced by amounts distributed to the Participant or Beneficiary or deducted hereunder.

5.2 Employee Participant Accounts: Crediting and Vesting of Deferrals.

(A) **Crediting and Vesting of Salary and Bonus Deferrals.** Salary Deferrals and Bonus Deferrals shall be credited to an Employee Participant's Account in accordance with the process determined by the Plan Administrator. Such amounts and any earnings thereon shall be 100% Vested as of the date so credited.

(B) **Crediting and Vesting of K-Vantage Deferrals.** The Company shall make K-Vantage Make-Whole Contributions to the Plan on behalf of a K-Vantage Employee. Such K-Vantage Make-Whole Contributions shall equal the Applicable Percentage for such Plan Year multiplied by K-Vantage Compensation for such Year, reduced by K-Vantage Savings Plan Contributions. K-Vantage Make-Whole Contributions hereunder will be credited to such Employee's K-Vantage Deferral Account at least once per year on the date(s) determined by the

Plan Administrator. Such K-Vantage Make-Whole Contributions and any earnings thereon shall become Vested at the same time as such Employee's K-Vantage Savings Plan Contributions.

(C) **Crediting and Vesting of Equity Award Deferrals.** Equity Award Deferrals shall be credited to an Employee Participant's Account as of the date such Awards are granted. Such Awards and any earnings thereon shall become Vested in accordance with their terms and the applicable Incentive Plan.

5.3 **Trustee Participant Accounts: Crediting and Vesting of Deferrals.**

(A) **Crediting and Vesting of Cash Retainer Deferrals.** Cash Retainer Deferrals shall be credited to a Trustee Participant's Account in accordance with the process determined by the Plan Administrator. Such amounts shall be 100% Vested as of the date so credited.

(B) **Crediting and Vesting of Equity Awards Deferrals.** Equity Award Deferrals shall be credited to a Trustee Participant's Account as of the date such Awards are granted. Unless otherwise provided by the Board or the Committee, such amounts shall be 100% Vested as of the date so credited.

5.4 **Crediting of Earnings to Accounts.**

(A) **Cash-Based Deferral Accounts.** All Accounts other than Equity Award Accounts and such other Accounts as may be designated by the Plan Administrator shall be credited with earnings in accordance with the Earnings Crediting Options elected by the Participant for such Accounts from time to time until such Accounts are paid out in full. Participants may allocate such Accounts among the Earnings Crediting Options available under the Plan in such percentages as may be permitted by the Plan Administrator. The deemed rate of return, positive or negative, credited under each Earnings Crediting Option shall be based upon the actual investment performance of such Savings Plan or other investment funds as may be selected by the Plan Administrator in its sole discretion for inclusion in this Plan from time to time, and shall equal the total return of such investment funds net of asset based charges, including, without limitation, money management fees and fund expenses. A Participant may change Earnings Crediting Options at such times and in such amounts as may be permitted by the Plan Administrator in its sole discretion. The Company reserves the right, on a prospective basis, to add or delete Earnings Crediting Options as deemed appropriate by the Plan Administrator in its sole discretion. In the event of such deletion, a Participant may, on or about the date thereof, reallocate amounts invested in such Option, and any amounts to be credited thereto in the future, among the remaining Earnings Crediting Options.

(B) **Equity Award Deferral Accounts.** Participant Equity Award Deferral Accounts and any earnings thereon shall at all times be deemed invested in Voting Securities, and any deemed dividends shall be deemed reinvested in additional Voting Securities, unless otherwise permitted by the Plan Administrator (for Employee Participants) or the Committee (for Trustee Participants).

In the event of a stock split, stock dividend, reclassification, reorganization or other capital adjustment in the Voting Securities, the number of deemed shares of Voting Securities

then credited to a Participant's Account shall be adjusted in the same manner as the shares of Voting Securities are adjusted.

5.5 **No Company Investment Obligation.** Notwithstanding that earnings credited to Participant Accounts are based upon the actual performance of certain corresponding investment funds or Voting Securities, the Company shall not be obligated to actually invest any amount deferred hereunder in any corresponding or other investment funds or securities.

5.6 **Valuation of Accounts.**

(A) **Valuation of Cash-Based Accounts.** The value of a Salary Deferral Account, Bonus Deferral Account, K-Vantage Deferral Account and Cash Retainer Deferral Account as of any date shall equal the amounts theretofore credited to such Account, including any earnings (positive or negative) deemed to be earned on such Account hereunder, through the business day preceding such date, less amounts previously deducted from such Account.

(B) **Valuation of Equity-Based Accounts.** The number of Voting Securities in an Equity Award Deferral Account shall equal the number of shares of Voting Securities credited thereto, plus the number of such shares deemed purchased by reinvesting the earnings on previously credited Voting Securities, less amounts previously deducted from such Account. The value of such Voting Securities as of any date shall be based on the closing market price reported on the New York Stock Exchange on the business day preceding such date.

5.7 **Account Statements.** A statement of account to shall be provided to each Participant with respect to the Participant's Account, at such times and in such form as determined appropriate by the Plan Administrator.

**ARTICLE 6
FORM AND TIMING OF DISTRIBUTIONS**

6.1 **Election of Distribution Form.** All distributions from all Accounts hereunder shall be made in the form of a single lump sum unless otherwise permitted by the Plan Administrator and properly elected in the Participant's Enrollment Agreement. Except as otherwise provided herein, a Participant's elections as to the form of any distribution under the Plan shall be irrevocable in accordance with the requirements of Code Section 409A.

6.2 **Election of Distribution Timing.**

(A) **Affirmative Elections by Employee Participants, and by Trustee Participants for Cash Retainer Deferrals.** All distributions from all Employee Participant Accounts and Trustee Participant Cash Retainer Deferral Accounts hereunder shall be made upon a Participant's End Termination Date unless otherwise permitted by the Plan Administrator and properly elected in the Participant's Enrollment Agreement. No Enrollment Agreement shall elect a distribution date sooner than 3 years after the Plan Year for which the deferral is to occur (or earlier termination of Service).

(B) **Automatic Election by Trustee Participants for Equity Award Deferrals.**

Trustee Participants automatically shall be deemed to elect distribution of Equity Award Deferral Accounts upon Retirement.

(C) **Irrevocable Elections**. Except as otherwise provided herein, a Participant's elections as to the timing of any distribution under the Plan shall be irrevocable.

6.3 **Exceptions Where Participant Form and/or Timing Elections Inapplicable.**

(A) **Permissible Change in Election**. Notwithstanding anything herein to the contrary, and to the extent permitted by the Plan Administrator in its sole discretion and Code Section 409A, a Participant may elect to change the affirmatively elected form and/or timing shown on the Enrollment Agreement, subject to the following conditions:

(i) No such change in election shall be effective until 12 months after the date the changed Enrollment Agreement is filed with the Plan Administrator;

(ii) Except in the event of payment upon death, any changed Enrollment Agreement must be filed with the Plan Administrator at least 12 months before the earliest date on which any deferrals (and earnings thereon) could be payable pursuant to the Participant's last election;

(iii) Except in the event of payment upon death, the newly elected distribution date shall be at least five years from the distribution date elected in the Participant's last election. An installment form of payment shall be treated as an entitlement to a single payment in accordance with the provisions of the Treasury Regulations and such five-year delay shall apply to all payments under the installment form.

(B) **Emergency Benefit**. Notwithstanding anything herein to the contrary, in the event that the Plan Administrator, upon written request of a Participant, determines in its sole discretion that the Participant has suffered an Unforeseeable Emergency, the Company shall within 90 days of such determination make a lump sum cash payment to the Participant from the Participant's Salary, Bonus, Vested K-Vantage Deferral and/or Cash Retainer Accounts in an amount reasonably necessary to meet the Unforeseeable Emergency (which may include amounts necessary to pay any Federal, State or local income taxes or penalties reasonably anticipated to result from the distribution), provided that such Unforeseeable Emergency may not be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan or any other retirement plan maintained by the Company (the "**Emergency Benefit**").

(C) **Acceleration of Payment**. Unless prohibited by Code Section 409A, Plan distributions shall be accelerated:

(i) if payment is required to be made to an individual other than the Participant to fulfill a domestic relations order as defined in Section 414(p)(1)(B) of the Code; or

(ii) if the aggregate amount of a Participant's Vested Account on the End Termination Date is less than \$250,000, in which case such Account shall be distributed in a single lump sum within 90 days of such date or on such later date as may be required by Code Section 409A.

(D) **Disability**. In the event a Participant becomes Disabled during the Participant's Service, such Participant's Vested Account shall be distributed as of the date of Disability and any portion of the Participant's Account that is not vested as of the date of the Disability will be forfeited.

(E) **Code Section 409A Delay**. Notwithstanding anything herein to the contrary, (i) payment to any Specified Employee shall be made no earlier than the seventh month after the End Termination Date (or upon death if earlier), and (ii) no distribution shall be made earlier than the date otherwise permitted by Code Section 409A.

(F) **Distribution following Change of Control**. If a Participant terminates Service for any reason within two years following a Change of Control that qualifies as a "change in control event" under Treasury Regulations Section 1.409A-3(i)(5), notwithstanding anything else herein to the contrary, such Participant's Account, whether Vested or not, shall be distributed in a single lump sum within 90 days following such Participant's End Termination Date or such later date as may be required by Code Section 409A.

6.4 Payment and Valuation of Distributions.

(A) **Lump Sum Distributions**. Lump sum distributions hereunder shall be made within 90 days of the applicable distribution date and in an amount equal to the Vested value of the Participant's Account as of the elected distribution date.

(B) **Installments Distributions**. Annual installment distributions shall commence to be made (i) in the case of a Participant's permitted election to receive distribution on a specified distribution date, within 90 days of January 1 of each calendar year in the installment period elected in a Participant's Enrollment Agreement, and (ii) in the case of a Participant's election to receive distribution upon termination of Service, in the calendar month following the calendar month in which such Participant's End Termination Date occurs. The amount of each installment shall equal: (A) the Vested value of the Participant's Account as of the business day before the installment distribution date, divided by (B) the number of installments so elected.

(C) **Form of Payment**. All Equity Award Deferral Accounts under the Plan will be distributed in the form of Voting Securities and all other Accounts will be distributed in the form of cash.

6.5 Distributions of Less than Entire Account Balance. Distribution of less than a Participant's entire Account balance shall be made pro rata from each of the Earnings Crediting Options to which such Account is then allocated.

ARTICLE 7 SURVIVOR BENEFITS

7.1 Designation of Beneficiary. Each Participant may designate one or more Beneficiaries as permitted by the Plan Administrator to receive any distributions due following the Participant's death. Such designation shall be made on such properly completed and executed and filed forms as may be required by the Plan Administrator, and shall be effective when received by the Plan Administrator. Such designation may be changed or canceled at any time without the consent of any such Beneficiary on such properly completed and executed and filed forms as may be required by the Plan Administrator, and shall not be effective until received by the Plan Administrator. If no Beneficiary has been named, or the designated Beneficiary or Beneficiaries shall have predeceased the Participant, the Beneficiary shall be the Participant's Savings Plan beneficiary, or, if none, the Participant's estate. If a Participant designates more than one Beneficiary, the interests of such Beneficiaries shall be paid in equal shares unless the Participant has specifically designated otherwise.

7.2 Death of Participant Before Distribution Begins. If a Participant dies before Account distribution begins, distribution shall be made to the Participant's Beneficiary(ies) in a single lump sum within 90 days after death unless the Participant's Enrollment Agreement provides for distribution to Beneficiary(ies) at the same time/time/form as if the Participant had survived.

7.3 Death of Participant After Installment Distributions Begin. In the event of a Participant's death after Account installment distributions begin, any remaining installments shall be paid to the Participant's Beneficiary(ies) at the same time/form as if the Participant had survived.

7.4 Changes to Earnings Crediting Options. In the event of a deferred Beneficiary distribution hereunder, such Beneficiary may make changes to Earnings Crediting Options to the same extent that the Participant could have made such changes during the deferral period.

ARTICLE 8 MISCELLANEOUS

8.1 Amendment and Termination. The Plan may be amended, suspended, discontinued or terminated at any time by the Board or Committee; provided, however, that (A) no such amendment, suspension, discontinuance or termination, unless required under statute, regulation, or rule of a governing or administrative body having the effect of a statute or regulation, shall reduce or in any manner adversely affect the rights of any Participant with respect to benefits that are payable or may become payable under the Plan based upon the balance of the Participant's Account as of the effective date of such amendment, suspension, discontinuance or termination; (B) no such amendment, suspension, discontinuance or termination shall cause any payment that a Participant or Beneficiary is entitled to receive under this Plan to become subject to an income tax penalty under Code Section 409A; and (C) no such discontinuation or termination of the Plan may be effected except in accordance with Treasury Regulations Section 1.409A-3(j)(4)(ix). The Plan Administrator is hereby authorized to make

ministerial or administrative amendments as he or she deems necessary or advisable to carry out the proper and efficient administration of the Plan, or to conform to applicable law or regulation.

8.2 **Claims Procedure.**

(A) **Filing a Claim for Benefits.** A Participant or other person entitled to benefits under the Plan (or the authorized representative of such Participant or other person) may make a claim for benefits by filing a request with the Plan Administrator. Such request shall be made by such written, telephonic or electronic means as shall be prescribed by the Plan Administrator. All such claims must be submitted within the "applicable limitations period." The "applicable limitations period" shall be six (6) years, beginning on (a) in the case of any payment, the date on which the payment was made, or (b) for all other claims, the date on which the action complained of occurred. Additionally, upon denial of an appeal pursuant to Subsection (D), a Participant or such other person shall have six (6) years within which to bring suit against the Plan for any claim related to such denied appeal; any such suit initiated after such six (6) year period shall be precluded.

(B) **Notice of Denial of Claim.** If a claim is wholly or partially denied, the Plan Administrator shall furnish the claimant with written or electronic notification of the adverse benefit determination. Any electronic notification shall comply with the standards imposed by 29 C.F.R. Section 2520.104(b)-1(e)(1)(0, (iii) and (iv). The notification shall set forth in a manner calculated to be understood by the claimant:

- (i) the specific reason or reasons for the adverse benefit determination;
- (ii) reference to the specific Plan provisions on which the determination is based;
- (iii) a description of any additional material or information necessary for the claimant to perfect his or her claim and an explanation of why such material or information is necessary; and
- (iv) a description of the Plan's procedures for review of an adverse benefit determination and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be furnished to the claimant within ninety (90) days after receipt of his or her claim, unless special circumstances require an extension of time for processing such claim. If an extension of time for processing is required, the Plan Administrator shall, prior to the termination of the initial ninety (90) day period, furnish the claimant with written notice indicating the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render the benefit determination. In no event shall an extension exceed a period of ninety (90) days from the end of the initial ninety (90) day period.

(C) **Appeal of Denied Claim.** A claimant or his or her authorized representative may appeal an adverse benefit determination by filing a written request for review with the Advisory Committee (as such term is defined in the Northeast Utilities Service Company 401k

Plan) within sixty (60) days after receipt by the claimant of the notification of such adverse benefit determination. A claimant or his or her duly authorized representative:

(i) may submit to the Advisory Committee written comments, documents, records, and other information relating to the claim for benefits; and

(ii) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

The Advisory Committee's review of any adverse benefit determination shall take into account all comments, documents, records and other information submitted by the claimant or his or her authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(D) **Decision on Appeal.** The Advisory Committee shall provide the claimant with written or electronic notification of the benefit determination on review not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing. Any electronic notification shall comply with the standards imposed by 29 C.F.R. Section 2520.104b-1(c)(1)(i), (iii) and (iv). If an extension of time for processing is required, the Advisory Committee shall, prior to the termination of the initial sixty (60) day period, furnish the claimant with written notice indicating the special circumstances requiring an extension of time and the date by which the Advisory Committee expects to render the determination on review. In no event shall such extension exceed a period of sixty (60) days from the end of the initial sixty (60) day period.

In the case of an adverse benefit determination, the notification shall set forth in a manner calculated to be understood by the claimant, including specific references to the pertinent Plan provisions, the determinations, decisions and other actions of the Advisory Committee, taken in accordance with the provisions hereof, which shall be final, conclusive and binding on all parties, including the following:

(i) the specific reason or reasons for the adverse determination;

(ii) reference to the specific Plan provisions on which the determination is based;

(iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and

(iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA.

8.3 **Limitation on Participant Rights.** Nothing in this Plan shall be construed as: (A) obligating Eversource Energy to secure the re-election of any Eversource Energy Trustee, (B) obligating any Eversource Energy Trustee to stand for re-election, (C) prohibiting any Eversource Trustee resignation, (D) conferring upon any Participant any right to continue

employment or Service with the Company, or (E) interfering with the Company's rights to terminate any Participant's Service and/or to take any personnel action affecting any Participant without regard to the effect such action may have upon such Participant as a recipient or prospective recipient of benefits under the Plan.

8.4 Limitation on Company Actions. Nothing in the Plan shall be construed to prevent the Company from taking any action it deems appropriate or in its best interest; provided, however, that no such action may diminish the then balance or value of any Participant's Account. No Participant, Beneficiary, or other person shall have any claim against the Company or its any of its employees, members of the Board, members of the Committee or the Plan Administrator as a result of such action. Any decisions, actions or interpretations made under the Plan by the Board, the Company, the Committee or the Plan Administrator shall be made in its respective sole discretion, not as a fiduciary, need not be uniformly applied to similarly situated individuals and shall be final, binding and conclusive on all persons interested in the Plan.

8.5 Company Right of Offset. If a Participant becomes entitled to a distribution under the Plan, and at such time such Participant has any outstanding any debt, obligation, or other liability representing an amount owing to the Company, then the Plan Administrator in its sole discretion may offset such amount owed to the Company against the amount of benefits otherwise distributable to the extent permissible under Code Section 409A.

8.6 Nonalienation of Benefits. Except as expressly provided herein, no Participant or Beneficiary shall have the power or right to transfer (otherwise than by will or the laws of descent and distribution), alienate, or otherwise encumber the Participant's interest under the Plan. The Company's obligations under this Plan are not assignable or transferable except to: (A) any corporation or partnership which acquires all or substantially all of the Company's assets or (B) any corporation or partnership into which the Company may be merged or consolidated. The provisions of the Plan shall inure to the benefit of each Participant and the Participant's Beneficiaries, heirs, executors, administrators or successors in interest.

8.7 Withholding Taxes. The Company may make such provisions and take such actions as the Plan Administrator deems appropriate in its sole discretion for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority, whether Federal, state or local, to withhold in connection with any benefits under the Plan from any amount otherwise payable to the Participant (or Beneficiary). To determine tax withholding on distributions of Voting Securities, such Voting Securities shall be valued based on the closing market price reported on the New York Stock Exchange on the day before the distribution date. If benefits payable to a Participant under the Plan become taxable before the date actually paid, the Company will remit any required withholding taxes and may pay to the Participant any additional amount that the Company would have remitted as withholding if the taxable amount had been paid to such Participant as wages. Additionally, the Company may distribute the amount necessary to pay the Federal Insurance Contributions Act (FICA) tax due on compensation deferred under the Plan (the "FICA Amount"), plus any income tax withholding imposed as a result of the payment of such FICA Amount, in accordance with Code Section 409A. If at any time this Plan is found to fail to meet the requirements of Code Section 409A, the Company may distribute the amount required to be included in the Participant's

income as a result of such failure. Any amount distributed under this Section will be charged against amounts owed to the Participant and offset against future payments. For the avoidance of doubt, the Participant will have no discretion, and will have no direct or indirect election, as to whether a payment will be accelerated under this Section. Each Participant, however, shall be responsible for the payment of all individual tax liabilities relating to any such benefits.

8.8 **Indemnification.** The Company agrees to indemnify and defend to the extent consistent with the Company's declaration of trust or other relevant corporate documents any person carrying out functions of the Plan Administrator (including any person who formerly carried out such functions) against all liabilities, damages, costs, and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Company) occasioned by any act or omission taken in good faith in connection with the Plan.

8.9 **Unfunded Status of Plan.** The Plan is intended to constitute an "unfunded" plan of deferred compensation for Participants. Benefits payable hereunder shall be payable out of the general assets of the Company, and no segregation of any assets whatsoever for such benefits shall be made. Notwithstanding any segregation of assets or transfer to a grantor trust, with respect to any payments not yet made to a Participant, nothing contained herein shall give any such Participant any rights to assets that are greater than those of a general creditor of the Company.

8.10 **Severability.** If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

8.11 **Governing Law.** The Plan shall be construed in accordance with and governed by the laws of the State of Connecticut, without reference to the principles of conflict of laws to the extent not preempted by federal law. Anything in this Plan to the contrary notwithstanding, the terms of this Plan shall be interpreted and applied in a manner consistent with the requirements of Code Section 409A and the Treasury Regulations thereunder and the Company shall have no right to accelerate or make any payment under this Plan except to the extent such action would not subject any Participant or Beneficiary to the payment of any tax penalty or interest under Code Section 409A. Each payment hereunder shall be a separate payment for purposes of Section 409A and the right to a series of installment payments shall be treated as a right to a series of separate payments for purposes of Section 409A. The Company shall have no obligation, however, to reimburse a Participant for any tax penalty or interest payable or provide a gross-up payment in connection with any tax liability of the Participant under Code Section 409A.

8.12 **Headings.** Headings are inserted in this Plan for convenience of reference only and are to be ignored in the construction of the provisions of the Plan.

8.13 **Gender, Singular and Plural.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may read as the plural and the plural as the singular.

8.14 **Notice.** Any notice or filing required or permitted to be given to the Company, the Committee or the Plan Administrator hereunder shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the Human Resources Department, or to such other entity as the Plan Administrator may designate from time to time. Such notice shall be deemed given as to the date of delivery, or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Disclaimer of Liability. The Declaration of Trust of Eversource Energy provides that no

8.15 shareholder of Eversource Energy shall be held to any liability whatever for the payment of any sum of money, or for damages or otherwise under any contract, obligation or undertaking made, entered into or issued by the Board or by any officer, agent or representative elected or appointed by the Board, and no such contract, obligation or undertaking shall be enforceable against the Board or any of them in their or his or her individual capacities or capacity and all such contracts, obligations and undertakings shall be enforceable only against the Board as such, and every person or entity, having any claim or demand arising out of any such contract, obligation or undertaking shall look only to the trust estate for the payment or satisfaction thereof.

| (Thousands of Dollars) | For the Years Ended December 31, | | | | |
|---------------------------------------------------------------------------------|----------------------------------|---------------------|---------------------|---------------------|-------------------|
| | 2015 | 2014 | 2013 | 2012 (a) | 2011 |
| Earnings, as defined: | | | | | |
| Net income | \$ 886,004 | \$ 827,065 | \$ 793,689 | \$ 533,077 | \$ 400,513 |
| Income tax expense | 539,967 | 468,297 | 426,941 | 274,926 | 170,953 |
| Equity in earnings of regional equity investees | (883) | (1,044) | (1,318) | (1,154) | (671) |
| Dividends received from regional equity investees | - | - | 582 | 733 | 940 |
| Fixed charges, as below | 397,392 | 386,451 | 362,403 | 353,616 | 275,948 |
| Less: Interest capitalized (including AFUDC) | (7,221) | (5,766) | (4,062) | (5,261) | (11,758) |
| Preferred dividend security requirements of consolidated subsidiaries (pre-tax) | (12,532) | (12,532) | (12,803) | (11,715) | (9,265) |
| Total earnings, as defined | <u>\$ 1,802,727</u> | <u>\$ 1,662,471</u> | <u>\$ 1,565,432</u> | <u>\$ 1,144,222</u> | <u>\$ 826,660</u> |
| Fixed charges, as defined: | | | | | |
| Interest expense | \$ 372,420 | \$ 362,106 | \$ 338,699 | \$ 329,945 | \$ 250,425 |
| Rental interest factor | 5,219 | 6,047 | 6,839 | 6,695 | 4,500 |
| Preferred dividend security requirements of consolidated subsidiaries (pre-tax) | 12,532 | 12,532 | 12,803 | 11,715 | 9,265 |
| Interest capitalized (including AFUDC) | 7,221 | 5,766 | 4,062 | 5,261 | 11,758 |
| Total fixed charges, as defined | <u>\$ 397,392</u> | <u>\$ 386,451</u> | <u>\$ 362,403</u> | <u>\$ 353,616</u> | <u>\$ 275,948</u> |
| Ratio of Earnings to Fixed Charges | <u>4.54</u> | <u>4.30</u> | <u>4.32</u> | <u>3.24</u> | <u>3.00</u> |

(a) NSTAR amounts were included in Eversource beginning April 10, 2012.

The Connecticut Light and Power Company
Ratio of Earnings to Fixed Charges

Exhibit 12

| (Thousands of Dollars) | For the Years Ended December 31, | | | | |
|---------------------------------------------------|----------------------------------|-------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Earnings, as defined: | | | | | |
| Net income | \$ 299,360 | \$ 287,754 | \$ 279,412 | \$ 209,725 | \$ 250,164 |
| Income tax expense | 177,396 | 133,451 | 141,663 | 94,437 | 90,033 |
| Equity in earnings of regional equity investees | (31) | (32) | (67) | (40) | (16) |
| Dividends received from regional equity investees | - | - | 289 | - | - |
| Fixed charges, as below | 153,751 | 152,513 | 139,929 | 139,982 | 140,311 |
| Less: Interest capitalized (including AFUDC) | (2,630) | (1,867) | (2,249) | (2,456) | (3,317) |
| Total earnings, as defined | \$ 627,846 | \$ 571,819 | \$ 558,977 | \$ 441,648 | \$ 477,175 |
| Fixed charges, as defined: | | | | | |
| Interest expense | \$ 145,795 | \$ 147,421 | \$ 133,650 | \$ 133,127 | \$ 132,727 |
| Rental interest factor | 5,326 | 3,225 | 4,030 | 4,399 | 4,267 |
| Interest capitalized (including AFUDC) | 2,630 | 1,867 | 2,249 | 2,456 | 3,317 |
| Total fixed charges, as defined | \$ 153,751 | \$ 152,513 | \$ 139,929 | \$ 139,982 | \$ 140,311 |
| Ratio of Earnings to Fixed Charges | <u>4.08</u> | <u>3.75</u> | <u>3.99</u> | <u>3.16</u> | <u>3.40</u> |

NSTAR Electric Company and Subsidiary
Ratio of Earnings to Fixed Charges

Exhibit 12

| (Thousands of Dollars) | For the Years Ended December 31, | | | | |
|---------------------------------------------------|----------------------------------|-------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Earnings, as defined: | | | | | |
| Net income | \$ 344,542 | \$ 303,088 | \$ 268,546 | \$ 190,242 | \$ 252,494 |
| Income tax expense | 228,044 | 201,981 | 172,866 | 123,966 | 165,686 |
| Equity in earnings of regional equity investees | (343) | (408) | (550) | (412) | (501) |
| Dividends received from regional equity investees | - | - | 344 | 286 | 676 |
| Fixed charges, as below | 80,536 | 82,503 | 73,115 | 72,364 | 76,219 |
| Less: Interest capitalized (including AFUDC) | (1,980) | (2,027) | (511) | (259) | (185) |
| Total earnings, as defined | \$ 650,799 | \$ 585,137 | \$ 513,810 | \$ 386,187 | \$ 494,389 |
| Fixed charges, as defined: | | | | | |
| Interest expense | \$ 75,347 | \$ 77,878 | \$ 70,383 | \$ 70,054 | \$ 69,427 |
| Rental interest factor | 3,209 | 2,598 | 2,221 | 2,051 | 6,607 |
| Interest capitalized (including AFUDC) | 1,980 | 2,027 | 511 | 259 | 185 |
| Total fixed charges, as defined | \$ 80,536 | \$ 82,503 | \$ 73,115 | \$ 72,364 | \$ 76,219 |
| Ratio of Earnings to Fixed Charges | <u>8.08</u> | <u>7.09</u> | <u>7.03</u> | <u>5.34</u> | <u>6.49</u> |

| (Thousands of Dollars) | For the Years Ended December 31, | | | | |
|---------------------------------------------------|----------------------------------|-------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Earnings, as defined: | | | | | |
| Net income | \$ 114,442 | \$ 113,944 | \$ 111,397 | \$ 96,882 | \$ 100,267 |
| Income tax expense | 73,060 | 72,135 | 71,101 | 60,993 | 49,945 |
| Equity in earnings of regional equity investees | (8) | (8) | (12) | (8) | (7) |
| Dividends received from regional equity investees | - | - | 42 | - | - |
| Fixed charges, as below | 47,949 | 46,530 | 47,318 | 52,769 | 52,111 |
| Less: Interest capitalized (including AFUDC) | (994) | (640) | (500) | (1,579) | (7,064) |
| Total earnings, as defined | \$ 234,449 | \$ 231,961 | \$ 229,346 | \$ 209,057 | \$ 195,252 |
| Fixed charges, as defined: | | | | | |
| Interest expense | \$ 45,990 | \$ 45,349 | \$ 46,176 | \$ 50,228 | \$ 44,147 |
| Rental interest factor | 965 | 541 | 642 | 962 | 900 |
| Interest capitalized (including AFUDC) | 994 | 640 | 500 | 1,579 | 7,064 |
| Total fixed charges, as defined | \$ 47,949 | \$ 46,530 | \$ 47,318 | \$ 52,769 | \$ 52,111 |
| Ratio of Earnings to Fixed Charges | <u>4.89</u> | <u>4.99</u> | <u>4.85</u> | <u>3.96</u> | <u>3.75</u> |

Western Massachusetts Electric Company
Ratio of Earnings to Fixed Charges

Exhibit 12

| (Thousands of Dollars) | For the Years Ended December 31, | | | | |
|---------------------------------------------------|----------------------------------|-------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Earnings, as defined: | | | | | |
| Net income | \$ 56,506 | \$ 57,819 | \$ 60,438 | \$ 54,503 | \$ 43,054 |
| Income tax expense | 36,970 | 37,268 | 37,368 | 32,140 | 23,186 |
| Equity in earnings of regional equity investees | (8) | (8) | (18) | (11) | (4) |
| Dividends received from regional equity investees | - | - | 80 | - | - |
| Fixed charges, as below | 26,553 | 26,202 | 26,316 | 28,162 | 25,079 |
| Less: Interest capitalized (including AFUDC) | (1,042) | (864) | (498) | (534) | (534) |
| Total earnings, as defined | \$ 118,979 | \$ 120,417 | \$ 123,686 | \$ 114,260 | \$ 90,781 |
| Fixed charges, as defined: | | | | | |
| Interest expense | \$ 24,792 | \$ 24,931 | \$ 24,851 | \$ 26,634 | \$ 23,612 |
| Rental interest factor | 719 | 407 | 967 | 994 | 933 |
| Interest capitalized (including AFUDC) | 1,042 | 864 | 498 | 534 | 534 |
| Total fixed charges, as defined | \$ 26,553 | \$ 26,202 | \$ 26,316 | \$ 28,162 | \$ 25,079 |
| Ratio of Earnings to Fixed Charges | <u>4.48</u> | <u>4.60</u> | <u>4.70</u> | <u>4.06</u> | <u>3.62</u> |

Subsidiaries of the Registrants as of February 26, 2016 ⁽¹⁾

| | State of Incorporation |
|-------------------------------------------------------------------|---------------------------|
| Eversource Energy (a Massachusetts business trust) ⁽²⁾ | MA |
| The Connecticut Light and Power Company ⁽²⁾⁽³⁾ | CT |
| Connecticut Yankee Atomic Power Company ⁽⁴⁾ | CT |
| Eversource Energy Service Company | CT |
| Eversource Energy Transmission Ventures, Inc. | CT |
| Eversource Gas Transmission LLC | MA |
| Northern Pass Transmission LLC | NH |
| Renewable Properties, Inc. | NH |
| HWP Company | MA |
| North Atlantic Energy Corporation | NH |
| North Atlantic Energy Service Corporation | NH |
| Northeast Nuclear Energy Company | CT |
| NSTAR Electric Company ⁽²⁾⁽³⁾ | MA |
| Harbor Electric Energy Company | MA |
| NU Enterprises, Inc. | CT |
| IP Strategy LLC | DE |
| Northeast Generation Services Company | CT |
| NGS Sub, Inc. | CT |
| NSTAR Communications, Inc. | MA |
| Select Energy Contracting, Inc. | MA |
| Public Service Company of New Hampshire ⁽²⁾⁽³⁾ | NH |
| Properties, Inc. | NH |
| The Rocky River Realty Company | CT |
| Western Massachusetts Electric Company ⁽²⁾⁽³⁾ | MA |
| Yankee Atomic Electric Company ⁽⁴⁾ | MA |
| Yankee Energy System, Inc. | CT |
| Hopkinton LNG Corp. | MA |
| NSTAR Gas Company ⁽³⁾ | MA |
| Yankee Energy Financial Services Company | CT |
| Yankee Energy Services Company | CT |
| Yankee Gas Services Company ⁽³⁾ | CT |

- (1) The names of certain subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary,” have been omitted in accordance with Item 601(b)(21)(ii) of Regulation S-K.
- (2) SEC Registrant.
- (3) Each of these entities is doing business as Eversource Energy.
- (4) For The Connecticut Light and Power Company, NSTAR Electric Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company, investments in Connecticut Yankee Atomic Power Company and Yankee Atomic Electric Company are accounted for under the equity method.

CONSENTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-203174 and 333-188345 on Form S-3 and Registration Statements Nos. 333-63144, 333-121364, 333-142724, and 333-181258 on Form S-8 of our report dated February 26, 2016, relating to the consolidated financial statements and the financial statement schedules of Eversource Energy and subsidiaries, and the effectiveness of Eversource Energy and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Eversource Energy for the year ended December 31, 2015.

We also consent to the incorporation by reference in Registration Statement No. 333-188345-04 on Form S-3 of our report dated February 26, 2016, relating to the financial statements and the financial statement schedule of The Connecticut Light and Power Company appearing in this Annual Report on Form 10-K of The Connecticut Light and Power Company for the year ended December 31, 2015.

We also consent to the incorporation by reference in Registration Statement No. 333-188345-03 on Form S-3 of our report dated February 26, 2016, relating to the consolidated financial statements and the financial statement schedule of NSTAR Electric Company and subsidiary appearing in this Annual Report on Form 10-K of NSTAR Electric Company for the year ended December 31, 2015.

We also consent to the incorporation by reference in Registration Statement No. 333-188345-02 on Form S-3 of our report dated February 26, 2016, relating to the consolidated financial statements and the financial statement schedule of Public Service Company of New Hampshire and subsidiary appearing in this Annual Report on Form 10-K of Public Service Company of New Hampshire for the year ended December 31, 2015.

We also consent to the incorporation by reference in Registration Statement No. 333-188345-01 on Form S-3 of our report dated February 26, 2016, relating to the financial statements and the financial statement schedule of Western Massachusetts Electric Company appearing in this Annual Report on Form 10-K of Western Massachusetts Electric Company for the year ended December 31, 2015.

/s/ Deloitte & Touche LLP

Hartford, Connecticut
February 26, 2016

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. May, certify that:

1. I have reviewed this Annual Report on Form 10-K of Eversource Energy (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Thomas J. May
Thomas J. May
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Judge, certify that:

1. I have reviewed this Annual Report on Form 10-K of Eversource Energy (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ James J. Judge
James J. Judge
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. May, certify that:

1. I have reviewed this Annual Report on Form 10-K of The Connecticut Light and Power Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Thomas J. May

Thomas J. May
Chairman
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Judge, certify that:

1. I have reviewed this Annual Report on Form 10-K of The Connecticut Light and Power Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ James J. Judge
James J. Judge
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. May, certify that:

1. I have reviewed this Annual Report on Form 10-K of NSTAR Electric Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Thomas J. May

Thomas J. May
Chairman
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Judge, certify that:

1. I have reviewed this Annual Report on Form 10-K of NSTAR Electric Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ James J. Judge
James J. Judge
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. May, certify that:

1. I have reviewed this Annual Report on Form 10-K of Public Service Company of New Hampshire (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Thomas J. May

Thomas J. May
Chairman
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Judge, certify that:

1. I have reviewed this Annual Report on Form 10-K of Public Service Company of New Hampshire (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ James J. Judge
James J. Judge
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. May, certify that:

1. I have reviewed this Annual Report on Form 10-K of Western Massachusetts Electric Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Thomas J. May

Thomas J. May
Chairman
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Judge, certify that:

1. I have reviewed this Annual Report on Form 10-K of Western Massachusetts Electric Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ James J. Judge
James J. Judge
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of Eversource Energy (the registrant) for the period ending December 31, 2015 as filed with the Securities and Exchange Commission (the Report), we, Thomas J. May, Chairman, President and Chief Executive Officer of the registrant, and James J. Judge, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ Thomas J. May

Thomas J. May
Chairman, President and Chief Executive Officer

/s/ James J. Judge

James J. Judge
Executive Vice President and Chief Financial Officer

Date: February 26, 2016

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of The Connecticut Light and Power Company (the registrant) for the period ending December 31, 2015 as filed with the Securities and Exchange Commission (the Report), we, Thomas J. May, Chairman of the registrant, and James J. Judge, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ Thomas J. May

Thomas J. May
Chairman

/s/ James J. Judge

James J. Judge
Executive Vice President and Chief Financial Officer

Date: February 26, 2016

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of NSTAR Electric Company (the registrant) for the period ending December 31, 2015 as filed with the Securities and Exchange Commission (the Report), we, Thomas J. May, Chairman of the registrant, and James J. Judge, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ Thomas J. May

Thomas J. May
Chairman

/s/ James J. Judge

James J. Judge
Executive Vice President and Chief Financial Officer

Date: February 26, 2016

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of Public Service Company of New Hampshire (the registrant) for the period ending December 31, 2015 as filed with the Securities and Exchange Commission (the Report), we, Thomas J. May, Chairman of the registrant, and James J. Judge, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ Thomas J. May

Thomas J. May
Chairman

/s/ James J. Judge

James J. Judge
Executive Vice President and Chief Financial Officer

Date: February 26, 2016

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of Western Massachusetts Electric Company (the registrant) for the period ending December 31, 2015 as filed with the Securities and Exchange Commission (the Report), we, Thomas J. May, Chairman of the registrant, and James J. Judge, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ Thomas J. May

Thomas J. May
Chairman

/s/ James J. Judge

James J. Judge
Executive Vice President and Chief Financial Officer

Date: February 26, 2016

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

