



2016 Eversource Sustainability Report



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CEO'S MESSAGE

As the largest energy provider in New England, Eversource has a unique and important responsibility to our customers, our communities and the environment. Our mission to safely deliver reliable energy and superior customer service is grounded in thoughtful, innovative approaches to operational excellence, sustainable business practices and community outreach.

In 2015, we achieved our best year ever for electric reliability. We helped over 11,000 customers install cleaner, more reliable natural gas space heating. We invested a record \$783 million in our electric distribution system and \$213 million in our natural gas infrastructure. Not to mention, an investment of \$500 million in efficiency programs and measures that will save 11 billion kWh of electricity and 130 million therms of natural gas over their lifetime, as well as eliminate the emission of 5 million tons of carbon. We also partnered with charitable organizations across Connecticut, Massachusetts and New Hampshire, donating approximately \$5 million to strengthen the communities where we live and work.

Additionally, we made great progress with developing and implementing meaningful solutions to the energy challenges that face our region. Our Access Northeast and Northern Pass Transmission projects, when completed, will provide New England customers with relief from energy marketplace fluctuations by expanding pipeline capacity, importing clean hydro-power and creating sustained, long-term cost savings.

Eversource and its dedicated employees believe in always improving—always leveraging our shared strengths, expertise and passion for customer service to drive positive results. Now and into the future, we remain committed to environmental stewardship and exceeding customers' expectations each and every day.

James J. Judge

President and Chief Executive Officer

OUR BUSINESS

About Our Company

[Eversource](#), a Fortune 500 and Standard & Poor's 500 energy company based in Connecticut, Massachusetts and New Hampshire, operates New England's largest energy delivery system. We are committed to safety, reliability, environmental leadership and stewardship, and expanding energy options for our 3.6 million electricity and natural gas customers.

Company Profile	As of 2015 Year End
Employees	7,943
Customers (Electric)	3.1 million
Customers (Gas)	512,000
Communities Served (Electric)	499
Communities Served (Gas)	122
Service Territory (Electric)	13,230 sq. miles
Service Territory (Gas)	3,254 sq. miles
Miles of Natural Gas Pipeline	6,567 miles
Transmission Lines	4,339 cable miles
Distribution Lines	57,036 circuit miles
Liquefied Natural Gas Plants	3

Generation Facts		
Type of Plant	Number of Units	Claimed Capability (KW)
Steam*	5	935,343
Hydro*	20	58,115
Internal Combustion*	5	101,869
Biomass*	1	42,594
Solar**	3	8,000

* Pursuant to New Hampshire regulatory settlement, fossil and hydro generation to be divested. Claimed capability represents winter ratings as of December 31, 2015. Combined nameplate capacity is approximately 1,200 MW.

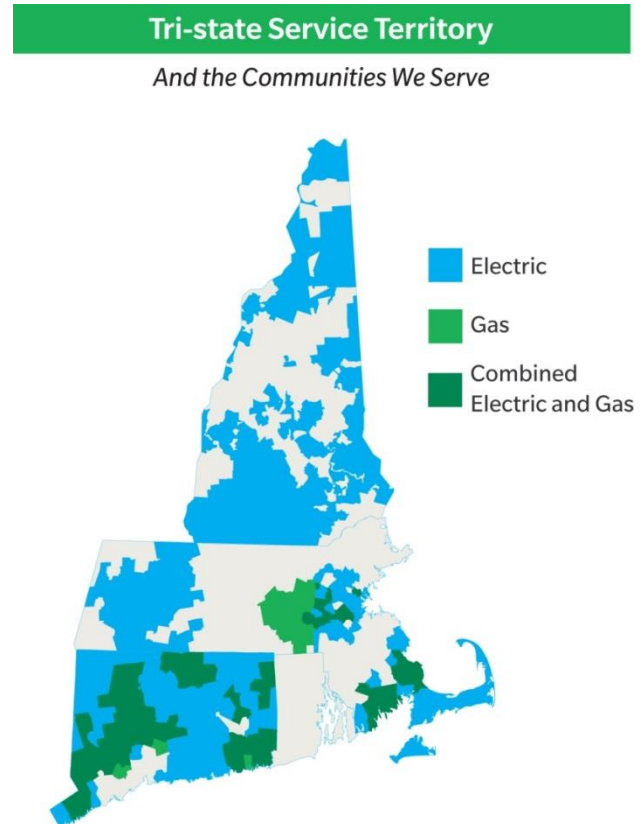
**Solar claimed capability represents the direct current nameplate capacity of the plants.

Sustainability at Eversource

Our 2016 sustainability report highlights our 2015 progress on sustainability efforts focused on issues most important to our business. Our sustainability team meets regularly throughout the year to evaluate our current performance, provide updates to external sustainability reporting agencies, and refine our sustainability strategy to reflect our operational initiatives and standards.

This report is aligned with the Global Reporting Initiative (GRI) principles and details of our materiality assessment are available [here](#). Please also see our [GRI Index](#).

Please click to view our [2014 sustainability report](#) and [2015 sustainability report](#).



2015 Awards and Recognition

Eversource has been recognized by many organizations for our operating efforts, including:

- [Newsweek Green Rankings](#) top-ranked 2015 “green” utility in the U.S.
- [Business Insider](#) Best Company to Work for in America
- [Ceres](#) #1 in energy efficiency among investor-owned utilities
- [Edison Electric Institute's](#) Emergency Recovery Award for storm restoration
- An American Gas Association Safety Achievement Award for having one of the lowest motor vehicle accident rates for companies of our type
- Institutional Investor awards for Best Investor Relations Professional and Best Investor Relations Program

ENERGY STAR Partner of the Year Awards:

- Energy Efficiency
- Residential New Construction
- Home Performance
- Certified Products
- Commercial and Industrial
- Sustained Excellence

Corporate Governance

Doing what’s right – ethically, fairly and honestly – is the cornerstone of our corporate governance and corporate compliance culture. In that respect, all of Eversource's trustees, officers, employees, contractors and agents must abide by the principals of Eversource's [Code of Business Conduct](#) and Conflicts of Interest policy. The Board of Trustees (the “Board”) has also adopted a [Code of Ethics for Senior Financial Officers](#), a [Related Party Transactions Policy](#), a [Political Activity Policy](#), [Independence Guidelines](#), and a [Financial Disclosure Policy](#). These policies collectively address day-to-day activities as well as anti-competitive behavior.

The Board ensures that the company has a clear and acceptable purpose, strategic and operational direction and plan, and that the business of the company is managed effectively, taking into consideration economic circumstances along with regulatory and legal requirements. The [Corporate Governance Guidelines](#), along with the [Charters of each of the Board of Trustees' Committees](#), provide the framework for the governance of our company with the goal of enhancing long-term value for shareholders while also fulfilling customer, commercial, community and public service obligations.

All employees receive communication and training on the Code of Business Conduct and all corporate policies, such as Conflict of Interest, Fraud Prevention and Detection, Prevention of Sexual Harassment, and Fitness for Work, which together outline the workplace behaviors that all employees are expected to follow. Throughout employees' careers, training is provided to ensure ongoing awareness and understanding of company policies and procedures.

Further information can be found on our website under "[Corporate Governance](#)" and in our [Proxy Statement](#).

Ethics and Risk Management

The Board of Trustees, both as a whole and through its committees, is responsible for the oversight of the company's risk management processes and programs. Our Enterprise Risk Management (ERM) program applies a well-defined enterprise-wide methodology 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, Finance, Auditing, and Insurance.



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. Findings of the ERM process are periodically discussed with the Finance Committee of our Board, 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.

Cyber Security and Critical Infrastructure Protection

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. The Federal Energy Regulatory Commission (FERC), through the North American Electric Reliability Corporation, requires certain safeguards to be implemented to deter cyber and/or physical attacks.

Our involvement in the development and implementation of Critical Infrastructure Protection (CIP) standards reflects our leadership and commitment to providing secure, reliable energy to our customers. Specifically, we:

- Established a CIP Compliance Program with the extensive expertise of our IT Security, Physical Security, Corporate Communications, Operations, Asset Management and Business Continuity & Threat Assessment teams.
- Implemented policy changes, physical and electronic security enhancements, robust training curriculum and improved documentation requirements.
- Maintain comprehensive CIP Plans for physical and cyber assets important to the continuous safety and security of all power generation and delivery infrastructure.

Corporate risks are also discussed in our [Annual Report](#).

Financial Performance

Our strong financial performance is a direct result of our outstanding operating performance, highlighted by our best year ever for electric reliability in 2015. In 2015, we reported recurring earnings of \$2.81 per share, compared with recurring earnings of \$2.65 in 2014, an increase of six percent driven largely by higher retail electric and transmission revenue, and effective cost discipline. That growth is consistent with our longer-term projected annual earnings per share growth rate of five to seven percent, which is one of the most attractive growth rates in the electric utility industry.

Our earnings growth also supports solid dividend growth for our shareholders. In 2015, we raised our common dividend by 6.4 percent to an annualized rate of \$1.67 per share, and in February 2016, we announced a 6.6 percent increase in the common dividend to an annualized rate of \$1.78 per share. Over the past five years, Eversource has provided a cumulative total return to our shareholders of 89 percent, which compares favorably to an 81 percent total return for the S&P 500.

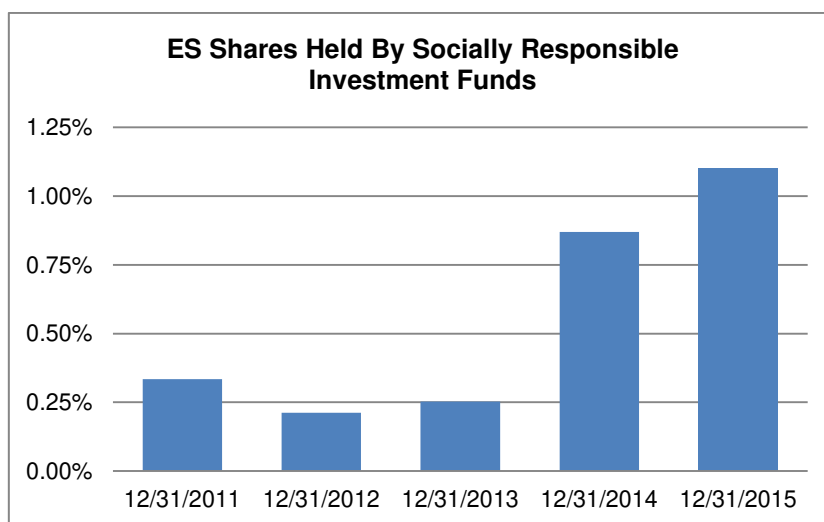
We are achieving these returns while at the same time effectively managing our financial and operating risks. In April 2015, Standard and Poor's Ratings Services raised its corporate credit rating for the Eversource family of companies to "A" with a stable outlook, the top rating among our electric utility peers. Also in 2015, Moody's Investor Services and Fitch

Ratings raised the outlook on multiple Eversource operating subsidiaries to “positive” from “stable.” Strong credit ratings lower interest costs, benefiting both customers and shareholders.

We continue to invest heavily in our electric distribution system, with capital expenditures totaling a record \$783 million in 2015, up nearly eight percent from 2014 levels. That level of investment, coupled with our ongoing implementation of best practices and procedures, is driving our performance steadily higher within the top quartile of our industry.

We are also investing heavily in our natural gas delivery infrastructure—\$213 million in 2015 and nearly \$1.3 billion projected from 2016 through 2019. That investment involves a combination of upgrading existing distribution mains and LNG storage facilities, and meeting the increasing demand in our communities for natural gas heat. In 2015, a record 11,415 Eversource customers in Connecticut and Massachusetts installed natural gas space heating in their homes and businesses, and we expect that figure to climb to 12,500 in 2016.

Eversource meets regularly with socially responsible institutional investors with a goal of increasing the percentage of Eversource shares held in their portfolios.



Selected Financial Data

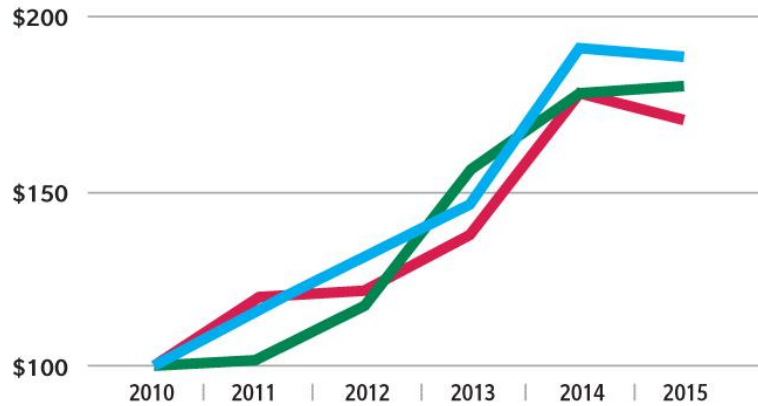
(Thousands of dollars, except share information and statistical data)

	2015	2014
Operating Revenues	\$ 7,954,827	\$ 7,741,856
Operating Income	\$ 1,764,164	\$ 1,632,849
Net Income Attributable to ES Common Shares	\$ 878,485	\$ 819,546
Diluted Earnings per Common Share (GAAP)	\$ 2.76	\$ 2.58
Diluted Earnings per Common Share (Non-GAAP) (1)	\$ 2.81	\$ 2.65
Diluted Common Shares Outstanding (Weighted Average)	318,432,687	317,417,414
Dividends Paid per Share	\$ 1.67	\$ 1.57
Sales of Electricity (Regulated Retail, kWh-millions)	54,616	54,442
Electric Customers (As of Year End)	3,139,608	3,119,675
Firm Sales of Natural Gas (million cubic feet)	98,458	99,500
Natural Gas Customers (As of Year End)	511,288	500,703
Investments in Property, Plant and Equipment	\$ 1,724,139	\$ 1,603,744
Property, Plant and Equipment, Net (As of Year End)	\$ 19,892,441	\$ 18,647,041
Market Capitalization (As of Year End)	\$ 16,198,957	\$ 16,964,948
Share Price (As of Year End)	\$ 51.07	\$ 53.52

(1) Diluted Earnings per Common Share (Non-GAAP) was adjusted to exclude integration-related costs. See Item 7, "Management" Discussion and Analysis of Financial Condition and Results of Operations," in the accompanying Form 10-K for a reconciliation to GAAP.

Total Shareholder Return

(Assumes \$100 invested on December 31, 2010 with all dividends reinvested)



Eversource Energy	\$100	\$117	\$131	\$147	\$192	\$189
EEI Index	\$100	\$120	\$122	\$138	\$178	\$171
S&P 500	\$100	\$102	\$118	\$157	\$178	\$181

Closing Share Price



Dividends Paid/Share



Historical and detailed financial information is available in Eversource's [Annual Reports](#).



Sustainable Supply Chain

Eversource is committed to sustainability in its supply chain and recognizes the importance of ethical behavior in business relationships and in the workplace. To clearly set out our expectations for suppliers, Eversource requires all vendors to adhere to its [Supplier Code of Conduct](#).

We actively support industry-wide expansion of supply chain sustainability through participation in the [Electric Utility Industry Sustainable Supply Chain Alliance](#) (the "Alliance"). As a standards development organization formed to promote environmental stewardship and provide value to customers and shareholders, the Alliance focuses on non-fuel suppliers. Working with industry suppliers and other interested parties, together with the Alliance, we are improving environmental performance and advancing sustainable business practices for major categories of electric utility purchases.

Commitment to Supplier Diversity

We provide all suppliers with equal access to purchasing opportunities, promoting supplier participation reflective of the diverse business community. Together with our diverse suppliers, we are expanding business opportunities, advancing suppliers' visibility and growth goals, and creating valued business relationships.

We are committed to the active inclusion of diverse businesses in our supply base including:

- Small disadvantaged businesses
- Veteran or service disabled veteran owned small businesses
- Businesses located in historically underutilized business zones
- Minority, female or disadvantaged business enterprises

In 2015, we spent \$586 million with Small and Diverse Businesses and we exceeded all seven of our socioeconomic category spending goals. This is an increase of \$139 million from our 2014 investment of \$447 million.

Our ongoing challenge is to find small and diverse businesses that can support our business requirements, which cover a large geographic area. The company has undertaken a number of efforts to address this challenge, including requiring large firms to subcontract to smaller, diverse suppliers and through our support of the Greater New England Minority Supplier Development Council and Diverse Supplier Development Academy.

OUR ENVIRONMENT

Eversource is committed to responsibly conducting business in a manner that protects and enhances the environment and fosters sustainable business practices. We provide leadership by collaborating with stakeholders to develop reliable energy solutions, bringing affordable, clean, sustainable energy to our region.

Our Environmental Policy

Compliance: All employees are responsible for maintaining compliance with applicable environmental protection laws and regulations and Eversource's work standards at all times.

Leadership: We pursue initiatives that protect the environment and advance clean energy solutions for our customers and stakeholders through energy efficiency and conservation programs, efficient operating practices, renewable or low-emission energy sources, technology and consumer education.

Accountability: We maintain accountability by monitoring and assessing the environmental impacts of our operations, using measurable objectives and targets to promote continuous improvement and reporting our environmental performance for transparency.

Stewardship: We manage our operations to prevent or reduce our impact on the environment, conserve natural resources, and engage customers and stakeholders in meaningful partnerships that advance sustainable environmental results. Our environmental stewardship is visibly reflected in our commitment to conservation of open space, balancing our corporate operating requirements with natural resource conservation.

Environmental awareness training is provided to all new employees.

Carbon Strategies

The carbon intensity of the New England electrical grid is among the lowest in the country and is continuously supported by state reduction goals in Connecticut, Massachusetts and New Hampshire. Each state has its own carbon goal or action plan to reduce greenhouse gas (GHG) emissions, and we work with stakeholders in each agency to contribute to targeted reductions.

State	Targeted Reduction by 2020 (CT, MA) Targeted Reduction by 2025 (NH)	Targeted Reduction by 2050
Connecticut	10% below 1990 level	80% below 2001 level
Massachusetts	25% below 1990 level	80% below 1990 level
New Hampshire*	20% below 1990 level	80% below 1990 level

*Recommendation of the New Hampshire Climate Change Policy Taskforce

Our strategies to facilitate achievement of these GHG reduction targets focus on four broad areas:

(1) Reducing traditional, end-use energy consumption

This includes expanding energy efficiency opportunities, appropriate deployment of smart grid and related infrastructure; and providing customers with information, management tools and pricing options to promote the use of lower carbon energy.

(2) Adding renewables to the energy mix either through generation or transmission expansion

This includes expanding renewable and low-carbon generation through direct investment as well as developing infrastructure to bring renewable and low-carbon resources to market and offering clean energy options to our electricity customers.

(3) Expanding distribution of natural gas

Expansion of natural gas distribution systems provides more residents and businesses with the opportunity to switch to clean-burning, affordable natural gas.

(4) Using electricity or natural gas for emerging end uses, such as transportation

Emerging uses for electricity and natural gas include transportation alternatives and deployment of associated infrastructure to support electric vehicle charging and natural gas vehicle fueling. Other programs include promoting conversion from fuel oil to natural gas, geothermal heat pumps and solar thermal for home heating.

Clean Energy Solutions

Eversource has established itself as a regional and national leader delivering innovative, forward-looking energy solutions, and assisting Connecticut, Massachusetts, and New Hampshire in meeting their environmental and clean energy goals, while also improving reliability and energy affordability.

We are continually evaluating the risks presented by climate change. Connecticut, New Hampshire and Massachusetts are all members of the Regional Greenhouse Gas Initiative (RGGI), a cooperative effort by northeastern and mid-Atlantic states to develop a regional program for stabilizing and reducing carbon dioxide (CO₂) emissions from fossil fuel-fired electric generating plants.

In the electricity generation sector, two programs help New Hampshire advance the objectives of the state's Clean Energy Plan: the Renewable Portfolio Standard (RPS) and RGGI. Consistent with the New England Governors/Eastern Canadian Premiers resolutions, the state of New Hampshire has adopted the goal of reducing its total greenhouse gas (GHG) emissions 80 percent below 1990 levels by the year 2050.

Our goal is to meet or surpass the state RPS requirement of 25 percent renewable energy by 2025.

Renewable Portfolio Standards In Place

	2015	2020	2025
CT	19.5%	27%	27%
*MA	19.25%	23.5%	29.75%
NH	8.3%	20.3%	24.8%

*MA 2020 and 2025 targets do not include Class II renewables because the percentage has not yet been released by the MA Department of Energy Resources

Addressing the Region's Energy Challenges

Two of our projects, Access Northeast and Northern Pass, will provide New England customers with significant relief by expanding pipeline capacity, importing clean hydro-power and creating long-term cost savings. These projects will both provide significant economic and environmental benefits to New England, lowering our dependence on older, higher



emitting oil and coal-fired generation. Once Access Northeast is in service, customers could save \$1.5 to \$2 billion annually in energy costs during normal winter weather. Further, we have estimated the additional 1,090 MW of base load power Northern Pass will bring to the region would save New England customers more than \$800 million per year. Customers need and deserve this price stability. Moreover, Northern Pass alone is expected to lower carbon emissions in New England by at least 3 million tons annually—that's the equivalent of taking more than 600,000 cars off the road.

To learn more about how Eversource is addressing energy challenges in New England, please visit our [website](#).

Northern Pass

Eversource has proposed a unique and innovative project, [Northern Pass](#), a high-voltage, direct-current transmission line that will bring 1,090 megawatts (MW) of low-carbon, primarily hydro-electric power from Canada to New England's energy load centers. At a time when public officials and energy experts are expressing concern about the future reliability of our energy supply, the addition of 1,090 MW of clean, reliable, competitively priced hydropower from Northern Pass will benefit everyone in the state of New Hampshire and the New England region.

The Forward NH Plan will deliver over \$3 billion in economic benefits to the state, while also meeting regional energy needs by providing a significant source of clean, affordable hydropower to New England.

Continuing our commitment to providing a brighter energy future for New England, the Forward NH Plan represents significant revisions to Northern Pass and balances concerns of visual impact with benefits to customers. Key elements of the Forward NH Plan include:

- Sixty miles of underground installation that eliminates the potential for visual impact in the White Mountain National Forest, Appalachian Trail, and the Franconia Notch area.
- An estimated \$80 million in energy savings annually for New Hampshire customers, plus additional savings for Eversource New Hampshire customers from a power purchase agreement.
- A \$200 million Forward NH Fund, which dedicates funds toward initiatives in community investment, tourism, economic development, and clean energy innovations.

Northern Pass has commenced the state regulatory review process, received a favorable draft environmental impact statement from the U.S. Department of Energy, and released its new Forward NH Plan that underscores the billions of dollars of project benefits to the state of New Hampshire.

Access Northeast

The Access Northeast Project, a partnership among Eversource, Spectra Energy and National Grid, will expand natural gas capacity and stabilize winter energy prices in our region through existing transmission pipeline corridors. Current pipeline limitations restrict the availability of natural gas during extreme cold. The project will increase guaranteed daily supplies of natural gas to customers and natural gas-fired electric generating facilities around New England.

The Access Northeast collaborative proposal includes:

- Scalable expansion of existing pipeline infrastructure, which connects to approximately 60 percent of New England's natural gas-fired electric generation.
- Partnerships with existing regional natural gas storage facilities to ensure supplies to electric power plants – especially on the coldest days when supplies are most constrained and the reliability of New England's power grid may be compromised.
- An environmentally responsible approach that will minimize impact on the environment and local communities by using existing transmission corridors.
- Additional Algonquin and Maritimes delivery points for natural gas local distribution companies (LDCs) to access diverse, low-cost natural gas resources when and where necessary for customers.



Access Northeast has begun the federal regulatory approval process. It has also signed long-term gas supply contracts with electric distribution companies that are now being reviewed by regulators.

Natural Gas STAR Methane Challenge Program

In March 2016, Eversource, along with almost 40 American Gas Association members, became a founding member of the U.S. Environmental Protection Agency's [Natural Gas STAR Methane Challenge Program](#), whereby natural gas utilities are working to reduce greenhouse gas emissions. The companies, which represent 66 percent of the natural gas customers served in the United States, are making and tracking commitments to reduce emissions and showcase their efforts to improve air quality.

Clean Energy Connect

Under Clean Energy Connect (CEC), Eversource will work with a consortium of companies, including Brookfield, Iberdrola and EDP Renewables, to bring 600 megawatts (MW) of new wind energy backed up by run-of-river hydropower to the region. The power will come via a new, dedicated transmission line constructed within existing corridors from just over the border in New York to our Berkshire substation in western Massachusetts.

Natural Gas Distribution Expansion

Connecticut's first-ever Comprehensive Energy Strategy (CES) includes recommendations in the areas of energy efficiency; industrial energy needs; and electricity supply, including renewable power, natural gas, and transportation. Within the CES, Connecticut's leaders endorsed natural gas as the "fuel of choice" for the state. The plan recognizes the emerging opportunity provided by shale gas for a lower-cost, cleaner, and domestically available fuel choice that offers residents and businesses an option to significantly reduce their heating bills.

Eversource growth goals include bringing the choice of natural gas to more than 82,000 customers within its franchise areas in Connecticut. In addition, the plan will also help reduce emissions by 820,000 tons for a seven percent reduction of total emissions in Connecticut.

In 2015, we added 11,415 new natural gas heating customers system-wide with 5,965 customers in Connecticut. The Company also added approximately 14 miles of pipe in 2015 and an additional town to its service territory.

Renewable Power Procurement

State-specific agreements facilitate development of clean and renewable projects. In Connecticut, there are several long-term contract opportunities, including the low emission/zero emission renewable credit program (LREC/ZREC), which has currently resulted in over 1,200 behind-the-meter renewable energy projects which will add 230 MW of new renewables located in Connecticut through these 15-year REC contracts.

Eversource has constructed large-scale [solar generation in Massachusetts](#), which directly contributes to Massachusetts' goal to install 1,600 MW of solar energy by 2020. Our solar program focuses on developing large-scale solar facilities on sites that offer economies of scale and cost-effective energy production. Of particular interest are capped landfills and environmentally challenged sites that have few, or very restricted, alternative uses.

In New Hampshire, the [Clean Air Project](#) at Merrimack Generating Station is complete. The power plant is now one of the nation's cleanest coal-burning energy facilities. The plant utilizes wet flue gas desulfurization technology, which dramatically reduces mercury and sulfur dioxide emissions from Merrimack's two units. Merrimack Station continues to support New England's fuel diversity, enhancing the stability of the power supply in the region.

The Northern Wood Power Project (NWPP) replaced a 50-megawatt coal-burning boiler at Schiller Station in Portsmouth, New Hampshire, with an environmentally friendly system that uses wood chips and other clean, low-grade wood materials for fuel, displacing more than 1 million tons of coal and effectively reducing their air emissions by about 500,000 tons annually.

Eversource owns and operates nine hydroelectric power plants throughout New Hampshire. These energy resources are one hundred percent renewable, and combine to produce a total of 70.6 MW of electricity.

Transportation Alternatives

Nearly half of New England's CO₂ emissions come from the transportation sector. With a goal of reducing the region's carbon footprint, we are creating alternative fuel vehicle opportunities for our customers, and employ a multifaceted approach to reducing emissions in our fleet as well, as highlighted in [Our Footprint](#).

Customers are increasingly considering electric vehicles (EVs) as a viable transportation alternative, offering a clean, lower-cost fuel option. We have a considerable history and ongoing investment in research, pilot programs, and demonstration projects to help make this technology an option for our customers' use and offer multiple sources of information for our customers. We are also actively engaged with policy leaders, automakers, neighboring utilities and technical experts to prepare our infrastructure to support EVs.

Beginning in 2012, Eversource partnered with volunteer municipalities and businesses on a research project focused on understanding charging station installation requirements, EV driver charging habits and potential future electric system requirements. The research project was very successful in identifying challenges associated with installing charging stations, which will enable us to develop mitigating strategies to better serve our customers. We are also a founding member and currently chair the [Regional Electric Vehicle Initiative](#) (REVI), a collaboration of northeastern utilities, working to advance the region's understanding of EVs, and the infrastructure that supports them.

We offer an electric vehicle information center hotline with a team of specialists dedicated to providing customers with helpful information about EVs and supporting technology, as well as a resource website, [Plug My Ride](#), with fast access to EV information and resources. All of the states that we serve are pursuing comprehensive plans that include the advancement of electric vehicles. Connecticut and Massachusetts are two of eight states that signed the [State Zero-Emission Vehicle Program Memorandum of Understanding](#) in 2013, with a collective target of having 3.3 million zero-emission vehicles on the road by 2025, along with the supporting infrastructure.

In Connecticut, we are working with the Department of Energy and Environmental Protection (DEEP) on programs to support the EV adoption and development of EV charging infrastructure, with funding provided by Eversource. Our support has funded EV rebates for about 450 vehicles in Connecticut. Details on the vehicle rebate program can be found at EV Connecticut CHEAPR program [website](#). In addition, the installation of DC Fast Chargers and grants for EV charging stations has increased the number of publicly available charging stations, making Connecticut a "range-confident state." Details on these programs can be found at [EV Connecticut](#).

In Massachusetts, Eversource serves as a commissioner on the Commonwealth's [Zero Emission Vehicle Commission](#), which serves to study the economic and environmental benefits and costs of increased use of zero emission vehicles. We are working with the Department of Energy Resources on programs to advance the EV market through a combination of studies, outreach and education, and the rate pilot program, PlugMyRide@HOME, which is designed to encourage off-peak charging. In 2015, we completed a report titled *Accommodating Garage Orphans in Boston, Cambridge and Somerville* that investigates the EV charging infrastructure strategies for urban EV drivers.

Eversource is committed to explore solutions that support EV owners in our service territory, while ensuring system reliability for all of our customers. In 2014, along with the Electric Power Research Institute, 15 utilities and eight automakers, we supported the development and demonstration of an open Vehicle-Grid Integration (VGI) Platform software system that integrates plug-in electric vehicles (PEV) with smart grid technologies, allowing customers the option to charge off-peak.

Our Footprint

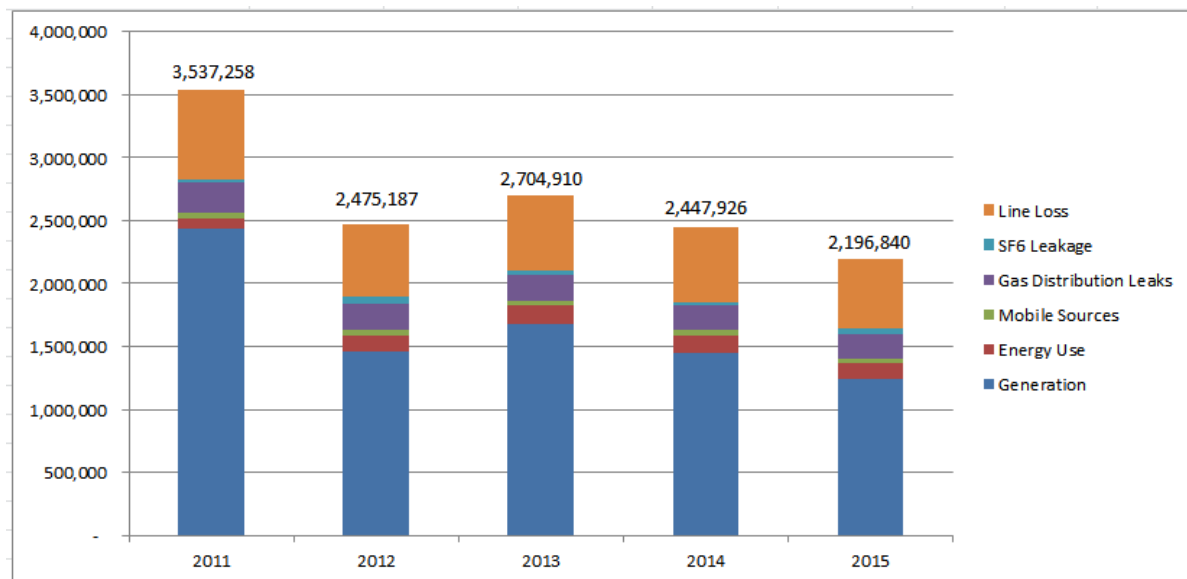
Eversource's GHG emission inventory accounts for and reports all direct carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and sulfur hexafluoride (SF₆) emissions from our businesses. The emission source categories included in our GHG inventory are stationary combustion sources; mobile combustion sources; indirect emissions from purchased electricity, transmission and distribution losses; fugitive CH₄ emissions from process equipment, including pipelines for natural gas distribution; and fugitive SF₆ emissions from electrical equipment. We report GHG emissions to the [Carbon Disclosure Project \(CDP\)](#). Our most recent filing can be found [here](#).

Detailed Emissions Summary (metric tonnes CO₂e)

	2011	2012	2013	2014	2015
Generation	2,432,622	1,460,058	1,676,660	1,453,156	1,236,618
Energy Use	83,474	127,928	147,933	134,801	130,922
Mobile Sources	44,248	46,035	40,520	40,269	40,121
Gas Distribution Leaks	237,857	210,253	203,076	197,469	191,636
SF6 Leakage	26,648	47,029	30,700	27,916	44,768
Line Loss	712,409	583,884	606,021	594,315	552,775
Total With Generation	3,537,258	2,475,187	2,704,910	2,447,926	2,196,840
Total without Generation	1,104,636	1,015,129	1,028,250	994,770	960,222

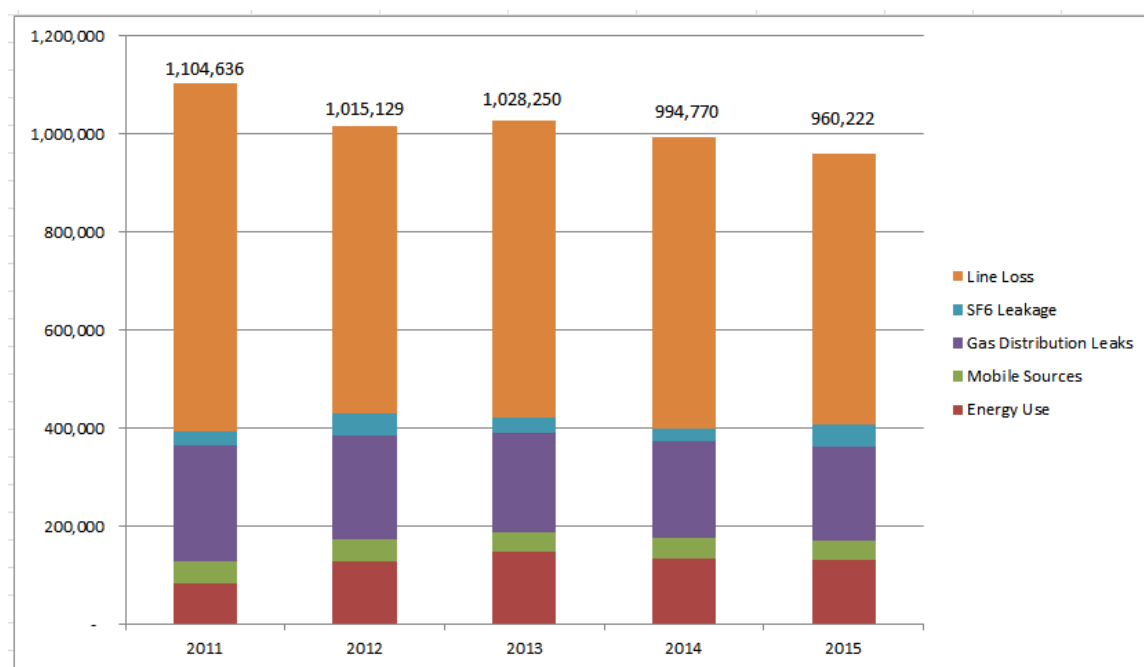
GHG Emissions Trends:

GHG emissions including generation (metric tonnes CO₂e):



Overall emissions for Eversource declined in 2015 primarily due to decreased demand for generation. A combination of market forces, fuel supply, and customer demand influence generation output, and thus Eversource's emissions. For example, as natural gas prices decrease, the demand for energy produced from coal also decreases. Emissions from generation have steadily decreased since 2010, with a slight increase in 2013, primarily due to a combination of a cold winter and the increase in natural gas prices due to constraints in the natural gas delivery system. Demand and production were down in 2015, resulting in a reduction in emissions.

GHG emissions excluding generation (metric tonnes CO₂e):



Line loss is the difference between the power we obtain from the grid and what is sold to our customers and is attributable to a variety of sources, including equipment operations, theft, unpaid bills, and electricity used internally. Line loss continues to be reduced by system improvements, infrastructure hardening and equipment replacement programs. In 2015, transmission and distribution losses equal 3.2% of total energy. Our historical data is available in our FERC Form 1 filings.

Fugitive emissions from the Eversource gas distribution system have steadily decreased over time and are anticipated to continue to decrease, attributed to our ongoing steel and cast iron main replacement program and robust leak mitigation plans. Emissions from mobile sources include fleet vehicles and line trucks, as well as employee business travel in cars and planes. Mobile emissions have remained steady over time. Consolidation of facilities and more efficient use of space are also expected to decrease energy use and associated emissions. Increased use of LEED inspired renovations at existing facilities will further decrease energy needs.

Reducing Our Carbon Footprint

Eversource continues to be an industry leader in SF₆ emissions reductions; our SF₆ emission rate is estimated to be 1.18 percent (almost 40 percent below the industry average of 1.9 percent) due to effective operational controls, including the careful management, handling and recordkeeping of SF₆ and SF₆ containing equipment. This allows us to focus in on potential areas of SF₆ loss to further reduce emissions risks.

Eversource's Distribution Integrity Management Programs mitigate potential risks, identify and prioritize operational and infrastructure enhancements, and improve service for our customers. Replacement of aging bare steel and cast iron gas infrastructure is an example of a top priority to minimize the potential for gas leaks, and the release of greenhouse gases



into the atmosphere. Since 2011, Eversource has replaced 129 miles of gas main resulting in reductions of 370 metric tonnes of methane annually (9,244mt CO₂e)

Eversource is a founding member of the U.S. Environmental Protection Agency's Natural Gas STAR Methane Challenge Program, whereby oil and gas companies can make and track commitments to reduce emissions and showcase their efforts to improve air quality. The commitments made to date include replacing unprotected steel and cast iron mains with protected or plastic piping at a rate of at least three percent annually through 2021.

Our fleet consists of approximately 4,500 vehicles, including light duty trucks for meter readers and bucket trucks for line workers. We have switched portions of our diesel equipment to operate on B5 and B20 biodiesel, an alternative fuel created by mixing diesel fuel and soybean oil. In 2015, we burned over 520,000 gallons of B5 and B20 biodiesel fuel, displacing approximately 79,000 gallons of diesel fuel with an 807 ton reduction in carbon emissions.

Eversource also has six bucket trucks that use a passive hybrid system to run the hydraulics operating the booms on the bucket trucks, eliminating the need to idle the engine to run the equipment. We have also installed global position systems (GPS) in all of our fleet vehicles, which is reducing fuel consumption by optimizing the dispatch of vehicles already deployed in the field and by helping drivers to find the most direct route to the customer location or job site.

We are further reducing our carbon footprint by installing 35 electric vehicle (EV) charging stations at our facilities and operating plug-in hybrid electric vehicles. In 2014, along with other utility members of the Edison Electric Institute, we pledged to commit five percent of our annual fleet spend on plug-in electric technologies beginning in our 2015 budget cycle.

We use compressed natural gas (CNG) vehicles in our fleet and have 84 CNG powered vehicles across all three states, 59 vans, 16 sedans, and nine pick-up trucks that in 2015 consumed 69,120 gallon equivalents of natural gas, thus avoiding 129 metric tonnes of CO₂e emissions. In 2015, Eversource began planning for the construction of five time-fill CNG refueling facilities in Connecticut (two) and Massachusetts (three) which will service eight CNG vehicles at each location – 40 vehicles in total. This will be completed in 2016.

Since 2009, our Eco-Miles program has tracked employee mileage savings through a variety of commuting options, and uses an online payroll reporting system to track miles not driven through carpooling, public transportation, telecommuting, or other mileage-savings options. To date, Eversource employees have collectively logged over 3.2 million Eco-Miles since the program started, the equivalent of saving 150,422 gallons of gasoline and 1,323 metric tonnes of CO₂e.

Operations Optimization

Materials Management

We manage our field and office operations with a commitment to environmental stewardship, including our material logistics activities which span the storage, tracking and movement of inventory throughout three states. Inventory is managed at storeroom facilities strategically located throughout our service territory to ensure the timely delivery of inventory necessary to meet our commitment to customers.

Our part standardization effort is in progress and will continue through 2016, with a focus on standardizing our inventory for certain commodities. This initiative optimizes our inventory across the businesses to expedite regular business and storm restoration activities.

Reel-less cable pilot

New Hampshire is piloting reel-less cable as a solution to eliminate wood reels by using a reusable spindle. New Hampshire has purchased five spools for the pilot and will investigate the feasibility of this environmentally preferable option in our operations.

Facilities Retro-Commissioning

In 2015, we completed a retro-commissioning project (upgrading equipment and control systems) at five of our facilities in Berlin, Connecticut to improve our energy consumption and operating performance resulting in 865,689 annual kWh savings or 730 metric tons CO₂ reduction. Project details are available [here](#).

Stewardship and Biodiversity

Our construction and maintenance work is planned and executed with utmost care to prevent, whenever possible, and minimize impacts to wetlands, threatened and endangered species and cultural resources. We manage our lands to preserve – and in many cases to create – wildlife habitats. Our rights-of-way maintenance practices promote critical diverse habitats beneficial to numerous species of reptiles, amphibians, birds, insects and plants.

Wetlands are a vital link to the health of waterways and downstream biotic communities, as they improve water quality, trap floodwaters, recharge groundwater, provide fish and wildlife habitat and support recreation activities such as boating and fishing.

Osprey populations have rebounded in recent years, creating a demand for nesting areas. Utility poles are often utilized for nesting. With wingspans up to six-feet wide, ospreys that nest on utility poles can come into contact with power lines, creating a hazard for the birds and potential power outages. Working in partnership with state regulatory agencies and the United States Fish and Wildlife Service (USFWS), Eversource employees install nesting platforms, and in some cases, abandon distribution poles with osprey nests, installing new distribution structures nearby to hold the electric equipment.

Eastern box turtles are a state-listed species in our region, and are sometimes found in the early successional habitat of our rights-of-way (ROW). The Massachusetts Natural Heritage & Endangered Species Program (NHESP) requires that staff responsible for vegetation management activities within state-listed turtle Priority Habitat complete turtle protection training. Eversource partners with NHESP to offer an annual turtle training event open to utilities and vegetation management companies. Our Transmission team has also used a turtle tracking dog and locating equipment to clear an access path for vehicles entering priority habitat.

In 2015, Eversource and the National Fish and Wildlife Foundation (NFWF) New England Forests and Rivers Fund launched the [Partners for New Hampshire's Fish and Wildlife](#) program to restore and sustain healthy forests and rivers, and enhance habitat for native bird and freshwater fish populations in New England. In its first year, the program awarded 13 grants that will open 119 miles of stream to fish passage, restore 13 miles of streamside forest, and create over 140 acres of early successional forest.

Through its partnership with NFWF, in 2015 Eversource funded [grants](#) to the following organizations:

- *American Rivers* - Assessing Fish Barrier Priority Modifications in the Connecticut River Tributaries
- *Connecticut River Watershed Council* - Restoring Connectivity Through Fish Barrier Modifications on Oliverian Brook
- *Connecticut River Watershed Council* - Getting Conservation on the Ground - Outreach and Assistance For Limited Resource Landowners to Improve Riparian and In-Stream Habitat
- *Merrimack River Watershed Council* - Expanding Riparian Forest Buffers to Improve Water Quality Using a Precision Stormwater Approach
- *University of New Hampshire* - The Stewardship Network: Mobilizing Volunteers for Forest and Riparian Habitat Restoration
- *Vermont Center for Ecostudies* - Mapping Abundance and Estimating Population Size of Bicknell's Thrush
- *Wildlife Management Institute* - Restoring Young Forests To Benefit New England Cottontail and American Woodcock

Land Management

Eversource owns and manages approximately 43,000 acres of land in Connecticut, Massachusetts and New Hampshire. Many of these properties are associated with electric or natural gas operations, including transmission line corridors, substations and office buildings, while others are held for future utility uses or inherent conservation value. We value our role as a responsible land steward and dedicate professional resources to maintain the integrity and long-term viability of the land we manage.

We have established formal plans for ensuring the careful management of the land's natural and cultural resources. Our focus is on:

- Forest health improvement, wildlife habitat protection, enhancement and diversification
- Soil and water resource preservation and agricultural stewardship
- Cultural resource protection
- Public recreational and educational uses
- Developing relationships with federal, state, municipal and private land-use agencies and not-for-profit land, wildlife and conservation groups to collectively coordinate management objectives
- Increasing shareholder value through natural resource improvement, revenue generation and improved access

For additional information and to join us in discovering our great outdoors, please visit the Eversource [Land Management website](#).

The Eversource Land Trust promotes the preservation of open spaces in New England. This gift to the people of Connecticut and the region ensures that important open spaces currently owned and operated by Eversource will be preserved in perpetuity.

Vegetation Management on our Rights-of-Way

The goal of our vegetation management activities is to maintain stable, low-growing grass, shrub and wildflower communities in the power line rights-of-way we manage. This type of vegetation provides the ideal environment for the safe and reliable operation of our electric system and offers the greatest potential for wildlife habitat to flourish.

Our management of distribution and transmission rights-of-way produces a positive benefit on the ecosystem, promoting biodiversity by controlling selected invasive species and preserving native plant species beneficial to a wide range of wildlife. Eversource employs an integrated vegetation management (IVM) approach to control targeted plant species through a combination of manual, mechanical, chemical and biological methods. These integrated methods allow for the development of low growing, early successional plant communities while also ensuring the safe and reliable operation of the electric system. Early successional habitats are beneficial to numerous species of plants and animals of special concern, such as the Eastern Hog Nose Snake and [Eastern Towhee](#).

Forest Management

We manage approximately 11,800 acres of forest land (about 120 properties) in Connecticut, New Hampshire and Massachusetts which contain wetlands, vernal pools, water courses, diverse habitats and scenic resources. Eversource promotes sound forest management under the direction of licensed professionals resulting in the sustainable production of timber, species diversity and forest health.

Wildlife Management

Species and habitats known to be rare or of special concern are accommodated in both our operational activities and in our land management planning. A conservation easement of 25 acres in Massachusetts was granted for the preservation of Eastern Box Turtle and Eastern Wormsnake habitat under the purview of the Massachusetts Natural Heritage & Endangered Species Program.

In Connecticut, we work with the DEEP Wildlife Division to make 2,500 acres available to the public for regulated hunting activities. We also administer a private land hunting program on another 2,500 acres of land in Connecticut. For information, please contact Eversource's Property Management group at (860) 665-6176.

Cultural Resource Protection

Winding stone walls, notable utility structures such as old dams, and Native American sites are among the New England treasures found in forests, fields and wetlands. We recognize the importance of these cultural relics and incorporate their protection into our property management activities. New construction projects along rights-of-way may require formal consultation/cultural resource investigations. We proactively work with both the State Historic Preservation Officer of each respective state and with Tribal Historic Preservation Offices to identify and protect resources of significance during construction where possible.

Recreation

Many of our company lands are open to the public for passive recreational uses, including hiking, nature study, fishing and cross country skiing. Please visit our [Land Management website](#) to learn more about recreational activities on our lands.

Agriculture

Our land holdings also include nearly 480 acres which are actively managed for agricultural purposes. Our objectives for these lands are to protect soil and water quality while maintaining long-term agricultural productivity.

- We encourage local farm initiatives and currently license property to members of [The Farmer's Cow](#) in Brooklyn, Connecticut, and to Graystone Farm, an organic farm in New Milford, Connecticut. We license these properties to interested farmers and work with the farmer, in addition to state and federal agricultural agencies, to identify best management practices that include crop selection and [soil conservation](#). Other considerations include erosion control, buffers and pest and weed control methods.

Water Resources

Eversource develops and implements innovative and responsible solutions to assure the protection of water resources necessary to our operations and our communities' well-being.

Our New Hampshire fossil and biomass power generation facilities use municipal water, groundwater and river water for steam production and cooling. Circulating water used for cooling water in our generation plants (as shown in the table below) is returned to the source water body and is not consumed. Additional details on our generation water use are available at the [New Hampshire Department of Environmental Services website](#).

Estimated Water Use (Thousands of Gallons)	2015	2014	2013	2012
Fossil Generation Cooling Water				
River Water	24,060,910	36,005,330	38,559,000	32,093,000
Saltwater (brackish)	35,390,600	38,328,960	33,731,140	33,866,000
Ground Water	73,532	67,000	50,171	58,096
Municipal Water	52,032	55,550	49,372	42,629
Facilities Municipal Water Use	26,905	29,037	34,990	30,000

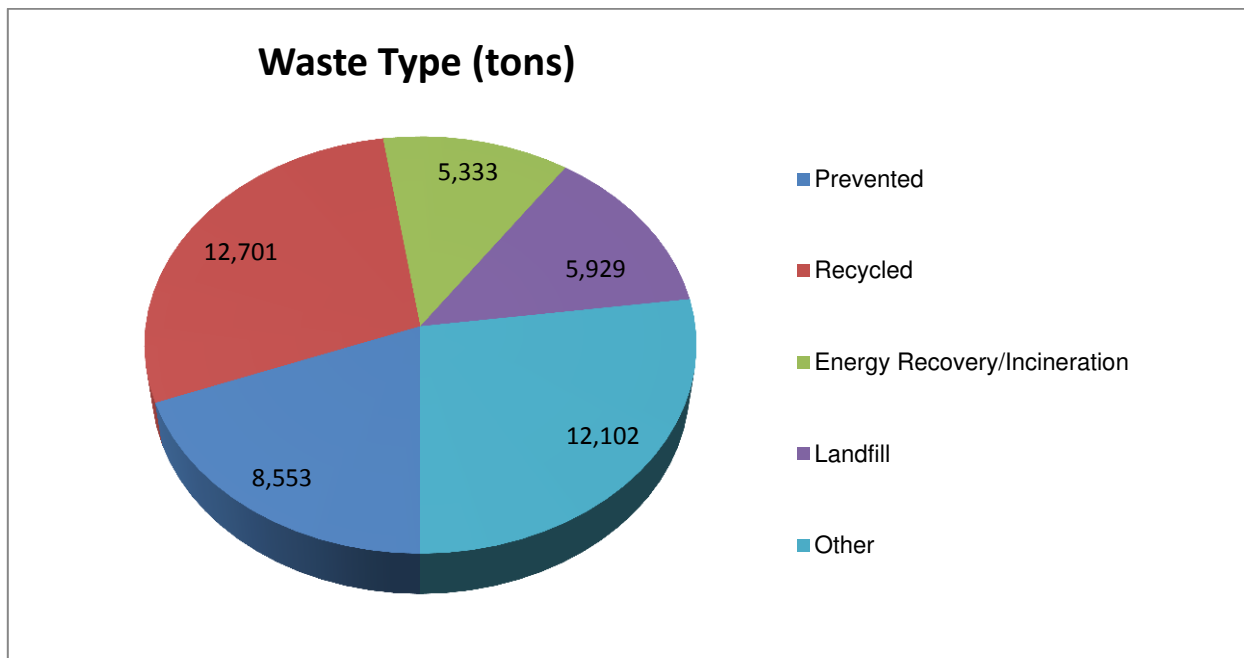
The World Resources Institute (WRI) uses global indicators and categories of risk (quantity, quality and regulatory/reputational) to determine an overall water risk score by industry. Eversource conducts an annual review of the [WRI Water Risk Atlas](#) (Aqueduct Atlas). While drought is not a significant risk in New England, flooding and physical risks to water quality have been identified by WRI as high risks in our service territory. Where flooding is a concern, we employ industry best practices to ensure system resiliency, such as installation of flood walls at facilities with critical infrastructure.

Protection of water quality is also of primary concern to Eversource, and our first effort in any project is to avoid impact to waterways. Projects that intersect water resources are permitted when required. Best management practices are employed to mitigate potential impacts to water quality.

Waste Management and Pollution Prevention

Eversource is working to manage and reduce its waste streams on a number of fronts. Preventing waste is our first choice. Our Investment Recovery program is committed to disposing of our unused assets in an economical and environmentally responsible manner. Our mission is to reuse, return, recondition, resell, reclaim, or recycle our surplus assets to avoid landfills or other potentially wasteful disposal options, facilitating the reuse, recycling, and sale of more than half of our un-needed material. Metal, wood, equipment and other materials are kept out of the waste stream through this innovative pollution prevention program.

Eversource recently launched a reinvigorated recycling program, expanding single-stream collection to Massachusetts, and providing robust communication to employees on the importance of recycling.



*Other includes wastewater treatment

Our largest waste streams include water and solids removed from manholes that contain electrical equipment, spill debris, fly ash and bottom ash.

2015	Reuse	Recycled	Energy Recovery/ Incineration	Landfill	Other	Total
Prevented	8,553	-	-	-	-	8,553
Municipal	-	3,162	4,869	1,194	-	9,225
Universal	-	21	-	-	-	21
Non-Hazardous	-	9,474	226	2,683	11,208	23,591
TSCA (PCB)	-	43	183	670	-	896
RCRA (Hazardous)	-	1	56	1,382	894	2,333
Total	8,553	12,701	5,333	5,929	12,102	44,618

View previous years' [waste management information](#).

Environmental Compliance

We are committed to conducting our operations in accordance with all applicable environmental laws and regulations and maintain operational controls, policies, and procedures to ensure compliance. If an issue is identified, root cause investigations are expeditiously conducted to prevent recurrence.

U.S. Dollars	2015	2014	2013	2012	2011
Citations	8	4	2	4	3
Penalties	\$15,000	\$0	\$7,251	\$2,590	\$0

As a result of enforcement action in 2015, we have reinforced expectations with employees and contractors on spill reporting and recycling requirements.

SERVING OUR CUSTOMERS

Customer Experience

Eversource is committed to delivering a superior customer experience by seeking new solutions to continually enhance the ways our customers interact with us and make doing business quick and easy.

In 2015, Eversource conducted comprehensive customer research, asking customers about their perceptions of the company, including our delivery of service, the cost of energy and our role in overall energy prices. We learned that customers know who Eversource is, and feel we are doing a great job in reliably delivering their energy, but that wide fluctuations in energy prices negatively impact customers' satisfaction. Most customers do not understand the current market dynamics, the effect of those dynamics on their bills, or the important work Eversource is doing to resolve the region's energy dilemma.

Taking this research into consideration, we are now changing the conversation with customers, while also aiming to drive customer satisfaction improvements using a combination of advertising, interactive online experiences, call center scripting, a new bill, and social media. We also communicate regularly with our customers through social media, including Facebook, Twitter, and YouTube.

Our 2015 initiatives include:

- A redesigned Live Call Conversation experience for our residential and business customers that minimizes authentication and proactively offers ways to save energy and money.
- A new, companywide employee program, "I Am Eversource," that enables all employees to quickly provide an answer or solution to a customer inquiry that is outside their area of expertise.
- Standardized tools and materials that enable our employees working on or near a customer's property to proactively communicate with customers about work to be performed and to promptly address any incidents of property or service impact.
- Our new, interactive [Energy Savings Plan tool](#) provides personalized energy saving recommendations for residential and small commercial customers to proactively manage their energy costs. In 2015, more than 80,000 customers took advantage of this helpful tool to save energy and money.
- For our largest business customers, the Energy Analysis tool at Eversource.com provides detailed energy usage data to monitor and control energy usage and costs. Through a variety of dashboards, customers access customized past and current billing and usage data, benchmark against other similar companies, and track progress toward their energy-saving goals.
- Proactive customer communication through our regular print and digital Customer Update Newsletter to promote ways to save, highlight topics of customer interest, and share what we're doing in the community.
- Enhanced services to our business customers through dedicated Business Call Centers, making it easier for businesses to obtain answers to their questions, and connecting them to energy efficiency, incentives, and other value-added services.
- Webinars to proactively engage business customers on topics of interest. Since June 2015, nearly 2,000 business customers have registered to attend presentations on Resiliency and Energy Efficiency topics. In addition, we hosted webinars for our third-party electric suppliers, detailing best practices for working with customers.

For more information on the many ways in which we are investing in energy efficiency tools and programs for our customers, please visit the [Energy Efficiency section](#) of this report.

Protection of Customer Information

Eversource understands the importance of protecting our customer's personal information. We maintain a comprehensive program to help ensure delivery of services and to protect against the loss, misuse and alteration of customer data. Safeguards used to protect this data include:

- Comprehensive information security policies and procedures
- Risk assessments to identify and address new and changing risks to protect systems and sensitive data
- Implementation of encryption technologies to prevent unauthorized access
- Reviewing all safeguards on a regular basis
- Training employees in the proper handling of personal information

Further information can be found in our [Privacy Statement](#) published at Eversource.com.

Customer Assistance Programs

Through comprehensive assistance programs, Eversource demonstrates its commitment to ensuring our customers have access to utility services. We understand there are times when customers may have difficulty paying their bill and we partner with local, state and federal agencies to help customers who need assistance.

State specific Financial Assistance pages at Eversource.com for information specific to [Connecticut](#), [Western Massachusetts](#), [Eastern Massachusetts](#) and [New Hampshire](#). Households with incomes at or below 60 percent of a state's median income are eligible for many of these programs.

Examples of assistance programs available to our Eversource customers include:

Financial Assistance

- For all customers, our Budget Billing program provides a convenient way to budget energy expenses by spreading payments evenly throughout the year.
- With our NewStart Program, customers can eliminate portions of their overdue balance in as little as 12 months. In 2015, over 65,000 customers were enrolled in the program and approximately \$29 million dollars in customer debt was forgiven. The program currently has an 85% customer retention rate due to proactive outbound calling campaigns and customer outreach.

Shut-off Protection

- Our Winter Protection Plan protects eligible customers from utility service disconnection for nonpayment from November 1 through May 1 in Connecticut, and from November 15 to April 1 in Massachusetts and New Hampshire.
- Our Medical Protection Plan provides qualified customers with service protection during a serious illness.

Assistance for Customers with a Medical Condition or Disability

- Eversource will notify customers who depend on electricity for life-support equipment prior to planned power outages, and when there is a potential for weather-related outages due to large storms.
- Eversource offers a specialized TTY teletype and contact number for hearing impaired and deaf customers.

Customer Outreach

Our dedication to helping customers learn about energy programs extends to providing year-round, face-to-face outreach during social agency meetings, energy workshops, senior fairs and community events.

Eversource has longstanding partnerships with Operation Fuel in Connecticut, Good Neighbor Energy Fund in Massachusetts and Neighbor Helping Neighbor in New Hampshire. In 2015, Eversource donated over \$265,000 to these programs with an additional \$744,315 donated from customers through our Add-A-Dollar program.

Reliability & Resiliency Initiatives

In 2015, we delivered our best service ever, and our customers were able to count on reliable power 99.98 percent of the time. We have also improved reliability system-wide by 37 percent over the last five years.

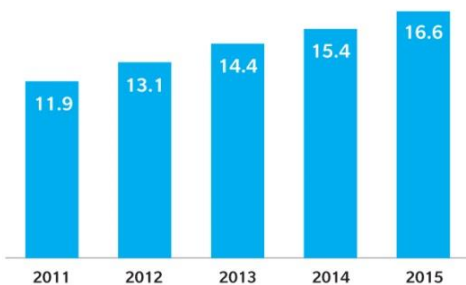
Each year, Eversource upgrades and strengthens our infrastructure across the region to reduce the possibility of service interruptions, especially during summer's peak demand and severe winter weather. We focus on projects designed to increase the capability and dependability of our systems, while continually managing vegetation near power lines.

Reliability Performance

To ensure that we are responding proactively to our customers' needs for reliable energy, we establish challenging targets at the start of each year, and track specific monthly operating performance measures. Each month operating performance results are communicated to employees.

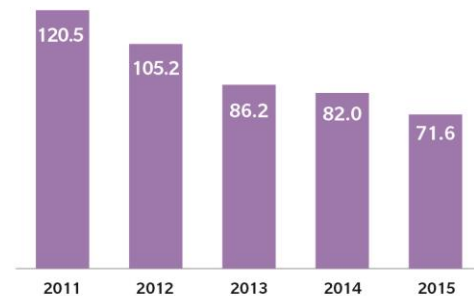
Reliability Performance

Months Between Interruptions



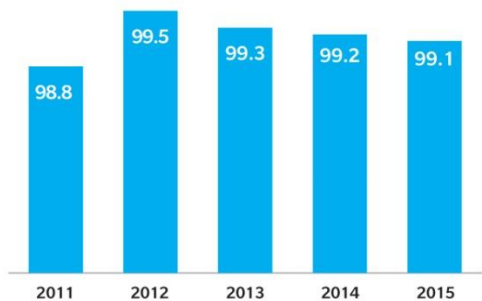
Restoration Performance

Average Minutes to Restore Outages



Gas Emergency Response Performance

% Respond to Site Within Specific Time Threshold



Our historical targets and performance results are available [here](#).

Examples of some of our key initiatives follow and further information about planned projects to improve reliability are available on our [website](#).

Eversource Energy Center

The Eversource Energy Center at the University of Connecticut (UConn) is an innovative energy company and university partnership. Our state-of-the-art research, technology and software are solving real-world challenges for our customers where weather, climate and energy intersect. We are collaborating with utilities and industry partners as front runners in mitigating storm hazards, delivering improved reliability and increasing the resiliency of the electric grid.

Through [Storm Outage Forecasting](#) we are predicting a storm's impact in advance of its arrival to foresee the number and location of outages and proactively dispatch crews. We are also identifying [how trees move with the motion of the wind](#). This important research guides our close collaboration with towns on [roadside forest management](#), and informs utility tree trimming best practices. Our [Stormwise](#) program offers immediately useful tips on tree types and planting locations.

Our Center's breakthroughs in science and technology, combined with our field operations and engineering expertise, are delivering significant benefits for our customers and region with greater reliability and superior customer service. We invite you to see our activities in action by visiting us at the [Eversource Energy Center website](#).

Tree Trimming and Removal

Eversource's Vegetation Management program is a thoughtful plan to balance the needs of our customers and communities with the goal of providing safe, reliable electric service for our customers, while monitoring growth of trees around power lines. Tree trimming and removal activities reduce both the number and duration of outages, and are the most effective means of improving service reliability. Tree trimming also benefits the communities we serve by removing dead or diseased branches and trees that not only threaten power lines and rights-of-way, but also public roads. Tree trimming is done in accordance with the standards of the International Society of Arboriculture (ISA), and the American National Standard Institute (ANSI). To find out more about our program, please visit our [Eversource](#) website.

Automation Programs

Eversource employs a large amount of distribution automation on its overhead and underground circuits. When a fault occurs, this equipment automatically isolates the faulted portion of the circuit and restores service to customers in the unaffected portion. Our distribution automation effectively reduces the impact of outage events by over 25 percent on average. To build on this success, Eversource is continually seeking new and more cost-effective options to further automate our system. We are piloting new technologies to provide even more benefits to customers and the electric system.

We are currently piloting advanced circuit breaker technology to reduce the impact of momentary contacts by tree limbs and other transient phenomenon on our power lines. For example, if a branch falls on the line, the advanced circuit breaker may prevent a permanent interruption on the line. These types of temporary interruptions make up seventy percent of the total faults on our system.

Distribution System Hardening

Eversource regularly reviews the performance of our system and performs upgrades to bring new construction or retrofit construction to our enhanced design criteria, meeting or exceeding requirements of the National Electrical Safety Code. Investments typically target upgrades that will improve the ability of the system to withstand the impacts of wind, lightning, snow, ice and animals. Additionally, with the increased risk of severe weather, we are reinforcing existing critical facilities to withstand storm surges and all future substations will be flood hardened to further protect our system. This may include the installation of an elevated equipment platform and reinforcement against ground level water infiltration.

Approved Regulatory Programs

In addition to infrastructure improvements to strengthen the reliability of our system, we are continually working with our regulators to identify and approve new programs that will help to improve our system resiliency.



In Connecticut, Eversource's "[System Resiliency Plan](#)," a five-year, \$300 million infrastructure hardening plan, was approved by the Connecticut Public Utilities Regulatory Authority (PURA) in 2013. In June of 2015, PURA approved an additional \$137 million of spending on the plan, which is designed to improve the system's ability to withstand damage when extreme weather strikes, reducing frequency and duration of power outages from severe weather and improving day-to-day system reliability. Since 2013 and through 2017, the plan focuses on [tree trimming](#), making our wires more weather- and tree-resistant, strengthening poles, cross-arms and other vital hardware, and equipment automation.

In Massachusetts, Eversource has an Underground and Overhead Electrical Safety and Reliability Program (CPSL) approved by the Massachusetts Department of Public Utilities (DPU) that began in 2006. Overall, the program is structured to assess the condition of infrastructure in use on the underground and overhead electrical system. The objectives of the Underground and Overhead Electrical Safety and Reliability program are (1) to enhance safety and resiliency of electric service to customers served by the company; (2) to mitigate the potential for stray-voltage occurrences and manhole events; and (3) to protect equipment and investments installed on the underground system to maintain functionality.

In New Hampshire, Eversource has a Reliability Enhancement Program (REP), developed in conjunction with the New Hampshire Public Utilities Commission (NHPUC). The program was initiated in 2007 and currently provides an additional yearly revenue stream that supports approximately \$4.5 million in specific operations and maintenance (O&M) programs and approximately \$39 million in specific capital programs. In 2015, this program was extended through June 2017 upon the NHPUC's approval of Eversource NH's Restructuring and Rate Stabilization Agreement. The program has produced measurable improvements in customer reliability.

Transmission Reliability Initiatives

Eversource continually assesses the transmission system to assure that its operation meets regional and national reliability standards. Working in conjunction with ISO-NE, Eversource conducts periodic 10-year look-ahead transmission system studies so that system concerns are anticipated and resolved prior to being experienced in real-time operations.

The [New England East-West Solutions \(NEEWS\)](#) family of transmission projects addresses weaknesses in the east/west and west/east transmission of power across Connecticut, Rhode Island and Massachusetts. Together, the NEEWS Projects strengthen the reliability of the power grid in New England - improving its efficiency and eliminating crippling and costly bottlenecks. The Interstate Reliability Project, the last in this suite of projects, was placed in-service in December 2015.

Over the next five years, Eversource will implement a series of new transmission initiatives as part of the Greater Boston Reliability ("Greater Boston"), Greater Hartford Central Connecticut (GHCC), Southwest Connecticut (SWCT) and New Hampshire (NH) major project initiatives. These initiatives are the result of continued analysis of the transmission needs to enhance system reliability and improve capacity in Eversource's operating territory. In addition to these major projects there are several smaller line and substation projects that collectively are designed to address the reliability and capacity needs identified in these geographic areas.

Gas Business Reliability Initiatives

Reliability, safety and the sustainability of our natural resources are key components in the daily operation of our natural gas systems in Connecticut and Massachusetts. In 2015, we invested \$213 million in our gas delivery infrastructure. This investment involves a combination of upgrading existing distribution mains and LNG storage facilities as we continue to meet the increasing demand for natural gas in our communities.

Our natural gas business plans directly align with Federal regulations, which require all U.S. natural gas companies to identify and address the greatest risks affecting the reliability of their distribution systems.

In 2016, Eversource will institute a class 3 leak repair program to reduce methane emissions in Connecticut. The program will systematically reduce the number of leaks over the next several years, reducing the total number of class 3



leaks on state of the art facilities by over 60%. These repairs, well above any Federal code, will be prioritized based on facility type.

In Connecticut, Eversource was first in the state to implement an accelerated replacement and reliability program. In Massachusetts, the company developed its Gas Safety Enhancement Program (GSEP) to plan, prioritize and accelerate the replacement of leak prone pipe with new state-of-the-art plastic pipe. This program is approved annually by the Massachusetts DPU. As a result, Eversource is helping the environment, improving system reliability, and creating the springboard to drive natural gas expansion within its service territories.

Grid Modernization

On August 19, 2015, Eversource filed a Grid Modernization Plan (GMP) in Massachusetts to outline its approach to modernizing the electric distribution system to provide safe and reliable service at a reasonable cost to customers. Highlights of the plan include significantly increasing levels of investment to achieve the three main characteristics of a modern grid, namely that the grid must be smart, integrated and resilient; and facilitate customer engagement. In addition, the company is proposing to support in three broad enabling investments - customer education, communications, and cyber security.

On September 10, 2015, the Connecticut DEEP issued a Notice of Proceeding and Request for Comments regarding Demonstration Projects for Grid-Side System Enhancements to integrate distributed energy resources (DER). Each Electric Distribution Company (EDC) must submit proposal(s) to DEEP for demonstration projects to build, own, or operate grid-side system enhancements that demonstrate and investigate how DER can be reliably and efficiently integrated into the electric distribution system; maximize the value provided to the electric grid, electric customers, and the public from DER; and complement and enhance programs, products, incentives available through the Connecticut Green Bank, Connecticut Energy Efficiency Fund, and other similar programs. Each EDC must submit at least one proposal that includes an energy storage system.

On February 8, 2016, Eversource filed a draft proposal outlining conceptual projects related to (1) a Smart & Integrated Grid, including energy storage, voltage management, inverter controls, and substation protection & control; (2) Advanced Planning, including feeder loading analysis and forecasting, hosting capacity analysis and mapping, preparation for advanced distribution management; and (3) Customer Engagement, including educating customers and facilitating interconnections.

Emergency Preparedness

Eversource is committed to emergency preparedness and business continuity and strategically coordinates preparation and response efforts for storms and other major emergencies across our service territory. Our executive led program is reviewed regularly to ensure it is being implemented effectively and maintained at the highest level of excellence.

Eversource takes a comprehensive “All Hazards” view to address business risks, including preparing for and responding to threats to continuity of services.

- We train using the Federal Emergency Management Agency (FEMA) training standards, modules, classroom instruction, drills and exercises, and e-learning modules within a formal ongoing training and exercise program. Major events and preparedness exercises are fully debriefed, after-action reports compiled, and follow-up actions tracked to completion, consistent with continuous improvement and the path to excellence.
- Partnering with our communities, we have pre-identified critical facilities such as hospitals, nursing homes, police and fire departments, in order to prioritize initial life and safety emergency response actions. Residents with life-sustaining medical equipment in their homes receive proactive outbound calls from us with storm readiness and awareness tips.
- In 2015, we deployed a common Outage Management System for managing electric emergency response & restoration across all 3 states, providing enhanced outage information, including estimated restoration times, which are very important to our customers.

- In 2015, we conducted training scenarios involving all operational and support organizations focused on response and recovery mission capabilities associated with decision-making and communication processes, integration and coordination within and between organizational units. Additionally, we participated in GRIDEX III, an exercise with a scenario provided by the North American Electric Reliability Corporation (NERC) and further developed by the Independent System Operator - New England (ISO-NE) for bulk electric system users, owners, and operators, and distribution providers to exercise their response to and recovery from simulated severe physical and cyber security events.
- Our business response plans provide a standardized approach to emergency response with integrated plans that are scalable to respond to an isolated incident, a regional or state-level event, or to address an incident affecting our entire three-state service area simultaneously.

All of our preparedness and response plans emphasize our partnerships and timely communications with key stakeholders in each state. Working with communities, states, and federal agencies, we have established protocols to ensure a coordinated and integrated emergency response. For each state in our service area, we have an extensive Communications and Liaison team responsible for two-way communication with key stakeholders prior to and throughout an event to ensure up-to-date information is shared.

Our [website](#) provides customers with key information during severe events, such as outage reporting, a detailed outage map, real-time updates of crew and restoration status and the ability to stay connected through social media.

Energy Efficiency Programs

Eversource is consistently recognized as a leader in energy efficiency by national industry organizations. We take great pride in helping our states and communities remain vibrant and successful by administering programs that are emulated by others across the country.

The Eversource energy efficiency portfolio reflects and responds to the way our customers live and use energy today and takes a multi-year approach that enables us to plan for the future.

Energy efficiency is one of the most cost-effective ways to collectively save money, create jobs, reduce greenhouse gas emissions, enhance energy security, and reduce the need for additional generation plant construction. The energy saved in effect produces “negawatts” - power that is never used. This energy savings is the equivalent of building a virtual power plant. From 2012-2015, energy efficiency peak demand savings by Eversource customers was approximately 527 megawatts (MW).

In addition, in 2015 the energy efficiency programs administered by Eversource resulted in an estimated \$219.8 million savings for our customers. Last year alone:

Eversource Electric Customers:

2015 Annual Savings: Over one billion kilowatt hours (kWh) saved could provide power for all 3.1 million Eversource electric customers for eight days.

Lifetime Savings of Installed Measures: More than 13.9 billion (kWh), which could power all 3.1 million Eversource electric customers for 93 days.

Eversource Natural Gas Customers:

2015 Annual Savings: Over 9.2 million therms (1 therm equals 100,000 British Thermal Units) saved could provide energy for 512,000 Eversource natural gas customers for three days.

Lifetime Savings of Installed Measures: More than 140.8 million lifetime therms saved, which could provide energy for 512,000 Eversource natural gas customers for 48 days.

Energy efficiency offerings from 2012 through 2015 resulted in cumulative peak demand MW reductions and annual MWh savings as shown in the graphs below:

Figure 1: Cumulative Peak Demand

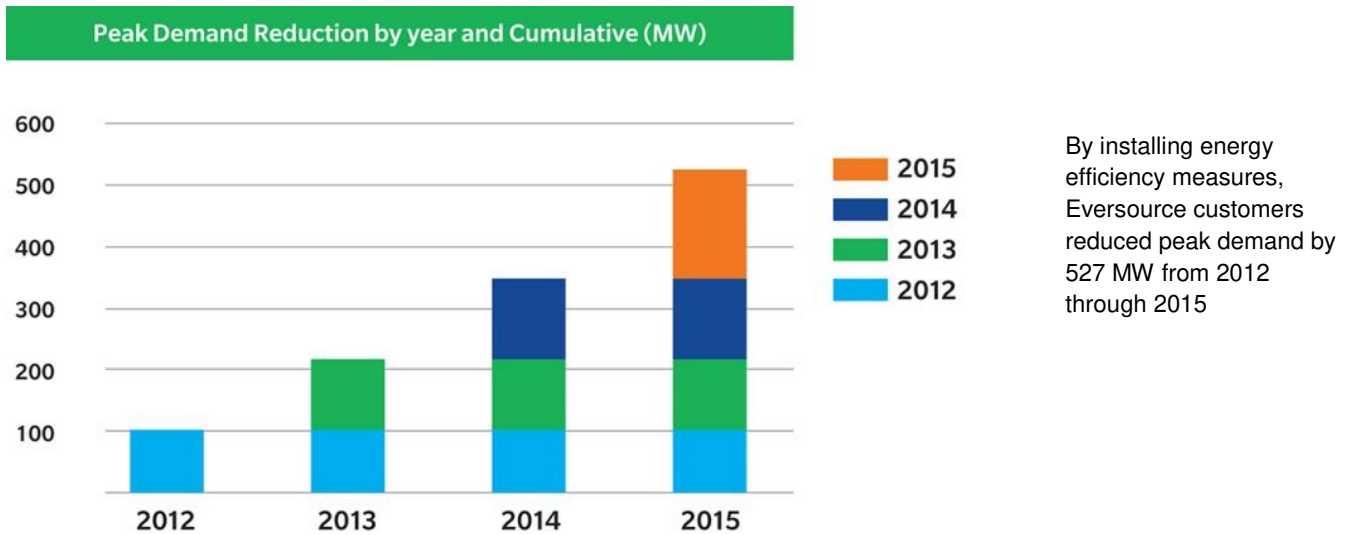
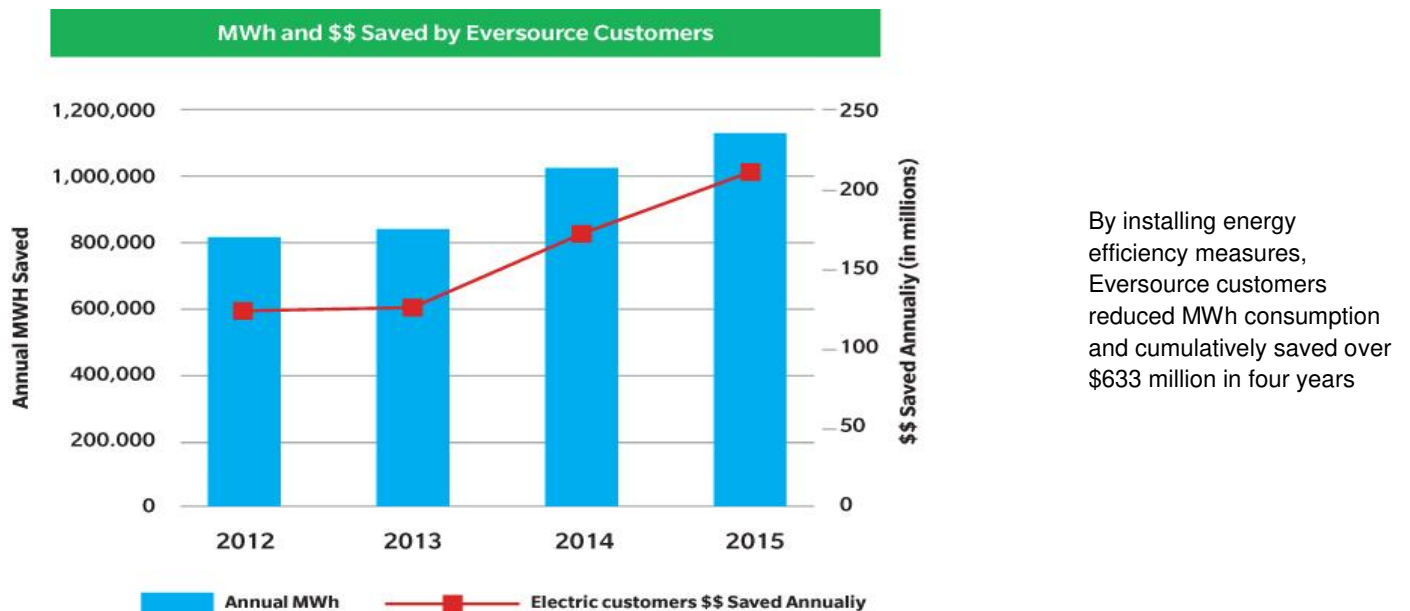


Figure 2: Annual MWh and Monetary Savings by Eversource Customers



Eversource Energy Efficiency Electric Data

2015 Preliminary	2015 Preliminary
Customers Participated	3,032,721
Spend (US\$)	\$406,766,966
Annual kWh Saved	1,131,261,414
Lifetime kWh Saved	13,886,415,635
Summer Peak Annual kW Saved	176,706
Winter Peak Annual kW Saved	172,066
Annual CO₂ reduced in Ton	462,691
Lifetime CO₂ reduced in Ton	6,454,261
Customer \$\$ Saved Annually	\$210,618,683
Customer \$\$ Saved Lifetime	\$2,525,595,385

**Includes customers who purchased energy efficient light bulbs*

Eversource- Energy Efficiency Natural Gas Data

2015 Preliminary	2015 Preliminary
Customers Participated	124,858
Spend (US\$)	\$52,467,260
Annual Therms Saved	9,201,566
Lifetime Therm Saved	140,759,716
Winter Therm Peak	16,837
Annual CO₂ reduced in Ton	54,726
Lifetime CO₂ reduced in Ton	841,484
Customer \$\$ Saved Annually	\$9,222,803
Customer \$\$ Saved Lifetime	\$142,000,150

Eversource helps to shape new, forward-looking energy efficiency policies, legislation and regulations in each of the states in which we operate. Because programs vary by state, we invite you to visit our Save Money and Energy pages at Eversource.com for Connecticut, eastern Massachusetts, western Massachusetts, and New Hampshire program details. We are proud to partner with our regulators and stakeholders to offer statewide energy efficiency initiatives, which are marketed under the brands Energize Connecticut, Mass Save and NH Saves.

In 2015, Eversource fully launched and began promoting an online tool empowering customers to make smart energy decisions and improvements in Connecticut and Massachusetts. The Energy Savings Plan is an interactive tool located on Eversource.com that enables residential and business customers to examine how they are currently using energy,



how they compare to other customers and how they can reduce their energy consumption costs. Over 60,000 residential customers and 6,000 business customers have used the tool.

Energy Efficiency in Our Communities

Through key partnerships and our memberships in the New England Clean Energy Council, Massachusetts Energy Efficiency Advisory Council, Connecticut Energy Efficiency Board and the New Hampshire Energy Efficiency and Sustainable Energy Board, Eversource works closely with community leaders, residents, schools and businesses to reduce energy consumption, increase the use of renewable resources, and encourage participation in smart energy programs. We engage with the communities we serve in numerous ways, including offering educational training workshops and informational booths at large events.

In New Hampshire, Eversource completed a street light retrofit project in Manchester, the state's largest city. The 9,000 street lights replaced with LEDs are anticipated to save the city over \$550,000 annually in energy and maintenance costs. The upgrade will pay for itself in less than six years.

Eversource and the three other New Hampshire utilities are partnering with the State's Office of Energy Planning and the Department of Environmental Services (NHDES) in support of a \$300,000 outreach and educational Federal grant to help improve energy efficiency for New Hampshire's wastewater treatment plants. The project will identify energy and money-saving solutions for the State's 72 energy-intensive wastewater treatment facilities owned by municipal customers.

Eversource has formed a long-term partnership with the city of Stamford, Connecticut, to reduce energy consumption in municipal buildings and support the creation of a groundbreaking, high-performance building district in the downtown area, known as the Stamford 2030 District. Eversource is providing technical assistance, guidance, and financial support to the City.

Eversource works with businesses small and large to identify smart energy improvements, lower operational costs, and enable greater business competitiveness. We retain teams of highly skilled technical staff to help customers identify energy saving opportunities, and offer attractive financial incentives to help facilitate implementation.

Eversource account executives and consultants are available to business customers to advise and assist with efficiency opportunities. Customers benefit not only from cost reductions; these efforts also often result in enhancements to their business environment and productivity. We establish long-term agreements with high energy users to implement broad energy efficiency measures across their business over a number of years. In 2015, Memorandums of Understanding were signed with institutions such as the University of Connecticut and companies such as United Technologies.

Industry Engagement

Eversource continues to work closely with the energy efficiency industry by collaborating with market-leading organizations to advance energy efficiency policy, program expansion, and recognition throughout the industry. Eversource works with the American Society of Heating, Refrigeration & Air Conditioning Engineers, Association of Energy Engineers, American Institute of Architects, CT Green Building Council and the design community to maximize the opportunity to grow the knowledge of the energy efficiency community.

2016 Energy Efficiency Plans

Eversource has set aggressive goals for 2016 that support our customers' current and longer-term needs and reflect energy efficiency and environmental regulations and goals of the states in which Eversource operates.

Energy Efficiency Data	Eversource CT Electric 2016 Goals	Eversource MA Electric 2016 Goals	Eversource NH 2016 Goals	Eversource Western MA 2016 Goals	Eversource MA Gas 2016 Goals	Eversource CT Gas 2016 Goals
Spend (US\$)	\$159,164,408	\$224,479,757	\$17,486,604	\$54,539,665	\$46,625,681	\$20,232,280
Annual kWh Savings	326,440,476	544,141,046	40,882,649	119,942,165	-	
Summer Peak KW Savings	45,130	71,410	6,720	14,998	-	
Winter Peak KW Savings	58,435	74,651	6,575	16,864	-	
Annual ccf/therm Savings (1)	-	-	-	-	6,493,052	3,038,078

(1) Massachusetts Annual Savings are reported in therms and Connecticut Annual Savings are reported in ccf consistent with each state's regulatory reporting requirements.

DISCLAIMER: Please note that the above table is for planning purposes only.

To view the energy efficiency plans filed with the regulatory bodies in the Eversource service territory, please use the following links.

[Connecticut 2016-2018 Plan](#)
[Connecticut 2013-2015 Plan](#)
[Massachusetts 2016-2018 Plan](#)
[Massachusetts Annual Reports](#)
[New Hampshire 2015-2016 Plan](#)
[New Hampshire 2016 Plan update](#)

[View previous year's energy efficiency information.](#)

Distributed Generation

Distributed Generation (DG) involves the production of electricity from many small energy sources, including solar, wind, fuel cells, and micro turbines. DG can lower customer costs, improve reliability, reduce emissions, and expand energy options for our customers. As of December 31, 2015, Eversource has nearly 1.5 million kilowatts (kW) of DG interconnected with our facilities as shown below.

KW of Interconnected DG (As of Dec. 2015)	Solar	Wind	Hydro	Other	Combined Heat & Power	Total
CT	159,030	5,104	112,976	19,925 ¹	168,674	465,709
MA Eastern Electric	375,400	30,097	200	63,294	77,181	546,172
NH	17,441	38,518	75,801	89,684 ² 19,775 ³	16,513	257,732
MA Western Electric	61,755	15,621	26,167	83,011 ⁴	N/A ⁵	186,554
Total	613,626	89,340	215,144	275,689	262,368	1,456,167

¹ Fuel Cell, ² Biomass, ³ Landfill Gas, ⁴ Municipal Solid Waste, ⁵ CHP is not separately tracked at MA Western Electric



Generating facilities using renewable forms of energy may be eligible to receive incentives and grants. To learn more about these incentives and how customers can safely interconnect with our system, please refer to the generator interconnection guidelines available on our [website](#).

In The Community

Eversource is committed to the health and economic well-being of the residents, businesses and institutions of Connecticut, New Hampshire and Massachusetts, and values its role as a responsible corporate citizen.

Charitable Giving

In 2015, through our foundations and corporation giving, Eversource provided nearly \$5 million in grants to local and regional organizations to support economic and community development, the environment and initiatives that address local, high-priority concerns and needs. We target our giving to ensure the greatest community benefit, with a particular focus on the health and well-being of youth and the advancement and promotion of clean energy and related technologies.

In addition to grants to local non-profit groups, our signature sponsorships include:

- [Special Olympics Connecticut Annual Winter Games](#) host for over thirty years.
- [Eversource Walk for Boston Children's Hospital](#), which has raised \$12 million for patient programs over the last ten years.
- [Eversource Walk With Me and 5K Run for Easter Seals](#) in New Hampshire beginning in 2016.
- [Eversource Hartford Marathon and Half Marathon](#), which promotes health, fitness, and enjoyment for athletes of varying ages, experience levels and abilities and generates over \$13 million of economic value annually to the region with 75,000 spectators, participants and volunteers, including more than 200 Eversource runners and over 100 Eversource volunteers.
- [PGA Tour Experience for Junior Golfers](#) at Travelers, which generates over \$1 million in annual charitable giving to multiple organizations throughout New England.

Additional information about our community involvement, including environmental stewardship, school programs and the signature sponsorships noted above can be found by visiting the [Community](#) pages of Eversource.com.

Volunteer Programs and Employee Giving

Eversource is proud to offer corporate volunteer programs, which give our employees the opportunity to support non-profit programs with their time and service. In 2015, over 550 employees volunteered approximately 4,000 hours at dozens of non-profit organizations across our service territory making a meaningful, lasting impact in the communities we serve. We also saw hundreds more actively support our major events like the Eversource Hartford Marathon, the Eversource Walk for Boston Children's Hospital and the Special Olympics Connecticut Winter Games.

Eversource employees have also raised millions in support for charities through Eversource's three Employee Giving programs (Matching Grants, Dollars for Doers and Pledge Partners) and participation in our comprehensive corporate United Way Campaign.

Each year through our United Way Campaign, Eversource and our employees together donate over \$2 million to make a significant difference in the lives of our customers, neighbors and friends served by United Way agencies in New England.

Community Outreach

Communications and open dialogue with customers and key stakeholders is a vital component of the work we perform every day. Eversource regularly works with community leaders, public officials, health and human service administrators and educators on critical issues facing the community.

For transmission construction projects that impact our communities, Eversource supplements these efforts by keeping our customers, communities, and state and local leaders informed through a variety of mechanisms including meetings with local and other elected officials, mailings, door-to-door outreach, project web pages, dedicated toll-free numbers and email addresses, and public open houses.

Eversource also provides school outreach programs in our service territory, offering 3rd to 6th grade teachers the option to receive free activity books and lesson plans around electric and gas safety and energy efficiency.

Positive Economic Impact

Eversource contributes to the success of our region and actively partners with local New England leaders to recruit new businesses and boost our area economies. In 2015, we were an active participant in multiple economic development initiatives in Connecticut, Massachusetts and New Hampshire. These initiatives included extensive construction projects that allowed major companies to expand, sponsorships of organizations that support economic development, and the purchase of tax credits, all benefiting the communities we serve.

Eversource presently participates in three different tax credit programs in Connecticut, offering an incentive for businesses to support community programs. Over the past 16 years, we have contributed close to \$110 million to affordable housing in Connecticut by utilizing these tax credits. In 2015 alone, Eversource invested over \$44 million dollars in tax credits. The State of Connecticut Housing Trust Fund estimates that a \$10 million investment would create 1,290 jobs, 750 housing units, \$120 million in additional housing development, and nearly \$42 million in wages paid on an annual basis.

We also support economic development by sponsoring major events, including the New Hampshire Annual Economic Development Summit and the Governor's Economic Development Summit. We support dozens of Chambers of Commerce throughout New England and provide over \$1.3 million in funding to various economic development groups throughout New England. We are actively involved in organizations such as the Connecticut Economic Resource Center, Connecticut Main Street Center Inc., Massachusetts Alliance for Economic Development, Economic Development Council of Western Massachusetts, Business and Industry of New Hampshire, and the New Hampshire Economic Development Association. The goal of all of these organizations is to help boost the economies of New England.

Eversource Economic Benefit

	2015	2014	2013	2012
Donations	\$4.7 Million	\$4.8 Million	\$5.2 Million	\$4.6 Million
Employees*	7,943	8,248	8,697	8,842
Taxes Paid	\$643 Million	\$616 Million	\$559 Million	\$420 Million

**Employee numbers are approximate as of end of year, excluding temporary employees, and reflect organizational synergies achieved over time.*

OUR PEOPLE

Safety

At Eversource, our shared commitment to “Safety First and Always” is a principle and a mindset we weave into the fabric of every job and every task—whether in the field or in the office. We are a successful organization only if our employees go home safely every day, which is why we are proud of our safety and wellness record at Eversource.

Our work practices protect our employees, contractors and the general public from safety hazards, particularly those hazards inherent in the electric and gas utility industries. Suppliers performing work for Eversource must maintain and adhere to both the letter and spirit of safety laws, and industry-appropriate safety and occupational health standards and practices in the performance of their work. Please [visit our website](#) to learn more about our residential safety programs and to view important safety [videos](#).

Eversource implemented and achieved a number of key safety milestones and initiatives for employees, contractors and our communities in 2015:

Employee Safety

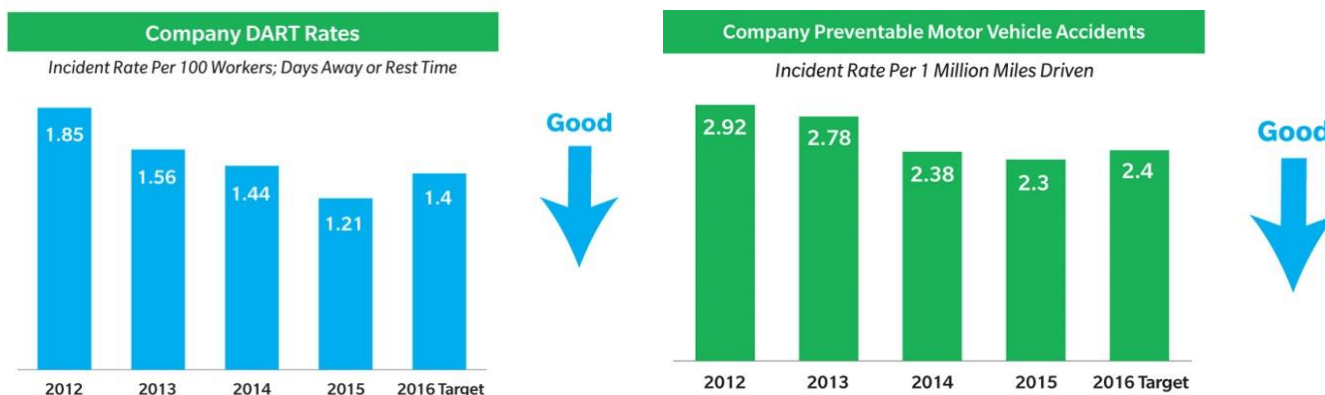
- Eversource reduced DART (Days Away Restricted or Transferred) rates by 16% over the previous year.
- Implemented a Unified Ergonomics Program to address the leading cause of our injuries, soft tissue injuries resulting from acute and chronic conditions.
- Focus placed on safe driving, including programs on Decision Driving and Smith Systems principles, a SKID school and online defensive driving training.
- Company-wide Safety “Speaker Series” targeting key initiatives.
- Training and targeted communications to prevent electrical contacts and flashes, supported achievement of our fourth straight year without an electrical flash/contact related injury resulting in time away from work.

Contractor Safety

- Implemented the Edison Electric Institute’s (EEI) Contractor Management process to provide a consistent method for evaluating and selecting prospective contractors. Eversource also served in a lead role working with EEI in hosting their first ever Contractor Safety Summit, attended by more than 70 electrical contractors.
- Conducted Safety Summits regularly for our key electrical, gas, tree and civil contractors where we review system and industry incidents, discuss lessons learned and allow for a roundtable for contractors to exchange safety information and ideas for improvement.

Community Safety

- Conducted numerous electrical safety presentations for first responders and emergency management personnel throughout our service territory. A highlight is the “Live Line Demo” trailer, which allows participants to see first-hand demonstrations of the risks inherent in working on or near electrical equipment. In two separate instances, training participants were later involved in an electrical hazard situation, such as a wire on a vehicle, and accredit the training they received from Eversource with saving their lives.
- Eversource provides a best-practice school outreach program in all three states, offering 3rd to 6th grade teachers the option to receive free activity books and lesson plans around electric and gas safety. The program includes a children’s e-learning web site with videos and activities.
- In accordance with recommendations of various regulatory bodies and public health organizations, we reduce electric and magnetic fields associated with new transmission lines by the use of designs that can be implemented at a modest cost.



Current and historical DART & PMVA performance data are available [here](#).

Diversity and Inclusion

Having an inclusive and respectful workplace brings us together as one company to leverage diverse perspectives and focus on meeting customer expectations. A diverse workforce and inclusive culture creates trusted relationships with employees, customers, contractors, suppliers and community partners. Inclusive, respectful, honest and ethical behavior enables Eversource to deliver reliable energy and superior customer service.

Our Diversity & Inclusion Corporate Council, state teams, and business resource groups identify and recommend strategies and actions to build an inclusive workplace, diversify the workforce, improve customer service, increase supplier diversity, and provide support to our diverse communities. In 2015, we launched D&I groups focused on women and newly-hired employees.

Our Ambassador Program is an onboarding program to help new employees more quickly and positively acclimate to the Eversource culture. Ambassadors are volunteers committed to supporting a newly-hired employee through a 90-day, ongoing, one-to-one relationship.

To learn more about our diverse supplier efforts, please visit our [Sustainable Supply Chain](#) section.

Workforce Investment

Employee Engagement

Eversource recognizes that an engaged workforce is critical to our mission of delivering reliable energy and superior customer service. Eversource leaders strive to create employee engagement through continuous communication, developing talent, fostering teamwork and creating a diverse, inclusive workplace.

Our employee engagement surveys identify areas of high performance and areas for continued focus going forward. The “Our Business, Our Future” training program, based upon our 2014 survey results, provides business-specific knowledge and information to our entire organization. In 2015, we provided the program to over 65% of the employee population.

Our Customer Excellence Award recognizes employees who demonstrate a commitment to providing superior service to customers. Employees are nominated by managers or customers and award winners are honored at local ceremonies led by company officers and attended by fellow employees, friends and relatives. As part of the award, winners may designate a charity to receive a company donation on their behalf. In 2015, there were 51 Customer Excellence Award recipients across all three states, which included 7 individual winners and 5 teams of winners.

Workforce Planning

Staffing plans are developed for each business area to ensure that we acquire, develop and retain diverse, capable talent. This includes leveraging educational partnerships in critical craft areas and developing proactive sourcing strategies to attract experienced professionals in highly technical roles such as Engineering and Energy Efficiency. We also plan for knowledge transfer in critical roles where we project a vacancy to ensure we have a capable supply of talent for the future.

Professional Development

Eversource provides employees with a variety of field and classroom training opportunities throughout their career to support their ongoing success on the job. We also support new employees with “onboarding” that helps to foster a positive and meaningful transition into the company.

Talent management is a key part of our mission to attract, develop and retain a diverse workforce. The company offers a variety of formal and informal learning opportunities to company leaders to help develop their leadership skills.

Through our tuition assistance program, Eversource shares the costs of continuing education for professional development and career growth. Cooperative programs with area colleges and universities provide a minimum of 16 weeks per year of work experience. Eversource also offers paid internships partnering with local educational institutions to provide on-the-job learning opportunities. To learn more, please visit the [Careers section of our website](#).

Military and Veteran Support

As a long-time supporter of military and veteran employees, we are committed to hiring veterans who can make an important contribution to the success of our organization.

In 2015, we launched our first Supervisor Development Cohort Program targeting veterans with power experience. This program offers a 12-month opportunity for candidates to experience visits to key company business areas. Upon successful completion of the program, they are placed in a supervisory role in operations.

Additionally, we support “[Troops To Energy Jobs](#),” and as a long-time supporter of military and veteran employees, we have programs and communities devoted specifically to veterans transitioning into the civilian workforce. To find out more please visit our [website](#).

Employee Wellness

Eversource Wellness & Fitness Services is a comprehensive initiative to encourage employees and their families to adopt and maintain healthy lifestyle habits. Services available to all Eversource employees include:

- Resources to learn about making and maintaining positive changes through a health risk assessment, fitness activities, on-site programs, events and screenings, disease management programs self-guided activities and the use of an online wellness portal.
- An online wellness portal to track personal health and wellness data, cheer on and even compete with friends.
- Incentives to help keep participants motivated. Cash and non-cash incentives such as gift cards, fitness and wellness gadgets and more, are awarded to participants throughout the year.
- Support to help make changes and maintain a healthy lifestyle in an encouraging environment.
- Fitness Centers located onsite at three Eversource locations open 24 hours a day, 7 days a week. All members enjoy free personalized workout programs and classes delivered by highly qualified personal trainers.

In 2015, over 33 percent of eligible employees enrolled in the online wellness portal and incentive programs, and we held 156 programs and events at Eversource locations with over 4,700 participants.

MATERIAL ISSUES

In 2016, Eversource completed a comprehensive review of material aspects identified through existing processes that have potential environmental, social or economic impact related to our business practices. Additionally, we validated who our key stakeholders are, how we engage with them and consider their expectations in our strategic planning processes. Lastly, we benchmarked our material aspects against industry peers and stakeholder groups to identify additional relevant topics for inclusion in our report.

We have robust processes in place to regularly assess risks and opportunities, emerging issues and stakeholder concerns. These include aspects that our Disclosure Committee determines are material to investors for inclusion in our financial reports, significant issues identified through our Enterprise Risk Management process, as well as our senior team priorities and key performance indicators. Our sustainability team reviewed all of these sources against the GRI G4 framework to define our material aspects and their scope through a sustainability lens to facilitate reporting.

Continuous engagement with external stakeholders is vital to the success of our business. These important relationships inform internal discussions and guide our planning and anticipation for stakeholder expectations. From shareholder meetings, community outreach, and customer satisfaction surveys to social media, project partnerships and regulatory proceedings, we hear the voice of our stakeholders and incorporate their concerns into our planning and decision processes.

Throughout this report you will see the many ways that we are addressing the aspects that are most important to our business and also how we engage our stakeholders and strive to meet their expectations.

Following is a list of our material sustainability aspects, their scope and boundary. We determined that ranking of these aspects is not pertinent, as their relative importance can change based on current events, and all are addressed in our business processes and in our sustainability report.

The use of the term "materiality" in this report differs from financial materiality, which is a term that describes matters or facts that could be deemed important to a reasonable investor making an investment decision.

Material Aspects	Aspect Scope (Including, but not limited to)	Aspect Boundary
Community Engagement	Activities benefitting the communities we serve • Corporate giving • Volunteerism • Economic benefit • Community Outreach	• Entire company focus • Service territory communities • Select external stakeholder groups
Customer Satisfaction	Meeting customer expectations for delivering reliable energy and superior customer service • Customer communications • Problem resolution mechanisms • Outage restoration • Billing options • Energy affordability	• Entire company focus • Customers, regulators

Cyber Security & Data Protection	Ensuring the security of customer and employee data, computer systems, grid infrastructure, and physical assets. Includes protection against: • Disclosure of confidential information • Cyber breaches • Grid disturbances • Acts of war or terrorism	• Entire company focus • Customers, service territory communities, investors, regulators, legislators
Emergency Preparedness	Our comprehensive emergency preparedness and response • Preparation for all hazards • Storm response • Outage management • Stakeholder communications/partnerships	• Entire company focus • Customers, service territory communities, regulators, legislators
Energy Efficiency	Providing energy efficient solutions for our customers and maximizing energy efficiency in our own operations • Electric and gas programs offered to residential and business customers and communities • State partnerships • Facility improvements	• Entire company focus • Customers, service territory communities, regulators, legislators
Environmental Accountability	Conducting business in a manner that protects and enhances the environment and fosters environmental stewardship • Environmental compliance • Water quality • Air quality • Waste management • Remediation programs	• Entire company focus • Regulators • Service territory communities • Select external stakeholder groups
Ethics	Demonstrating inclusive, respectful, honest and ethical behavior • Principles that govern our business • Corporate Compliance • Diversity and Inclusion	• Entire company focus • Investors, regulators
Finance	Meeting and exceeding performance targets while driving efficiency and managing costs • Shareholder return • Business growth • Rate structure • Financial reporting requirements • Operational and capital expenditures	• Entire company focus • Investors
Fuel Diversity	Integrating diverse power supply into our delivery system • Integration of renewable power • Lower carbon solutions • Fuel availability • Infrastructure development	• Entire company focus • Customers, service territory communities, regulators, legislators, investors

Greenhouse Gas Emissions	Supporting regional initiatives to reduce greenhouse gas emissions - Facilitating integration of renewable and low carbon energy in the region - Expanding natural gas capacity - Actions to reduce GHG emissions in our operations	- Entire company focus - Customers, service territory communities, investors, regulators, legislators
Innovation & Technology	Transforming to the Utility of the Future by implementing emerging technologies - Grid modernization - Alternative fuel vehicles - Reliability - Process management systems - Customer engagement and energy management	- Entire company focus - Customers, service territory communities, regulators, legislators
Regulatory Policy	Adhering to regulatory requirements and driving energy policy - Regulatory compliance - Utility of the Future - Project development and approval - Cost recovery	- Entire company focus - Customers, service territory communities, regulators, legislators
Reliability	Delivering reliable energy - System hardening - Reliability and resiliency Initiatives - Vegetation management	- Entire company focus - Customers, service territory communities, regulators, legislators
Renewables	Supporting renewable energy investments - Renewable power procurement - Transmission projects to bring cleaner energy to the region - System improvements to enable integration of renewable power	- Entire company focus - Customers, service territory communities, regulators, legislators
Safety	Safety first and always - Employee, contractor and public safety - Electric and magnetic fields	- Entire company focus - Customers, service territory communities, regulators
Supply Chain	Managing our supply chain - Supplier diversity - Supplier management systems - Material management processes	- Entire company focus - Service territory communities - Select external stakeholder groups
Workforce Development & Employee Engagement	Maintaining an engaged and skilled workforce - Attract and retain high quality employees - Employee training and development programs - Succession planning - Labor relations	- Entire company focus - Service territory communities - Select external stakeholder groups