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EDITED TRANSCRIPT

ES.N - Q1 2023 Eversource Energy Earnings Call

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OVERVIEW:

ES reported 1Q23 GAAP EPS of \$1.41 and EPS, excluding transaction/transition costs of \$1.41. Expects 2023 non-GAAP EPS to be \$4.25-4.43.

CORPORATE PARTICIPANTS

Jeffrey R. Kotkin Eversource Energy - VP of IR

John M. Moreira Eversource Energy - Executive VP, CFO & Treasurer

Joseph R. Nolan Eversource Energy - President, CEO & Chairman

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CONFERENCE CALL PARTICIPANTS

Paul Patterson Glenrock Associates LLC - Analyst

Paul Zimbardo BofA Securities, Research Division - VP in Equity Research & Research Analyst

Ryan Levine Citigroup Inc., Research Division - VP

Shahriar Pourreza Guggenheim Securities, LLC, Research Division - MD and Head of North American Power

Steven Fleishman Wolfe Research, LLC - MD & Senior Analyst

Travis Miller Morningstar Inc., Research Division - Director of Utilities Research and Strategist

Richard W. Sunderland JP Morgan - Analyst

PRESENTATION

Operator

Good morning, and thank you for attending today's Eversource Energy First Quarter 2023 Earnings Call. My name is J'son, and I'll be the moderator for today's call. (Operator Instructions) I would now like to pass the conference over to our host, Jeff Kotkin.

Jeffrey R. Kotkin - Eversource Energy - VP of IR

Thank you very much, J'son. Good morning, and thank you for joining us. I'm Jeff Kotkin, Eversource Energy's Vice President for Investor Relations. During this call, we'll be referencing slides that we posted yesterday on our website, and as you can see on Slide 1, some of the statements made during this investor call may be forward-looking as defined within the meaning of the Safe Harbor provision of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and are subject to risk and uncertainty, which may cause the actual results to differ materially from forecasts and projections. These factors are set forth in the news release issued yesterday afternoon.

Additional information about the various factors that may cause actual results to differ can be found in our annual report on Form 10-K for the year ended December 31, 2022. Additionally, our explanation of how and why we use certain non-GAAP measures and how those measures reconcile to GAAP results is contained within our news release and the slides we posted last night and in our most recent 10-K.

Speaking today will be Joe Nolan, our Chairman, President and Chief Executive Officer; and John Moreira, our Executive Vice President and CFO. Also joining us today are Jay Buth, our VP and Controller; and Bob Becker, our Director of Investor Relations.

Now I will turn to Slide 3 and turn over the call to Joe.

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Thank you, Jeff, and thank you, everyone, for joining us on this call this morning. I know that you had many other choices of calls that you could have joined so I'm very grateful. We had an excellent start in 2023 as we continued to deliver safe and highly reliable service to our 4.4 million

customers. Our key metrics illustrate the continued strong state of our operations. Our service reliability, as measured by months between interruptions, remains in the top decile, and our safety ratings remain very strong. Our employees also performed very well and completed significant storm restoration in New Hampshire following a March Nor'easter that caused widespread damage and brought historic snowfall amounts that made it extremely difficult for crews to access certain regions to make repairs.

Turning to Slide 3 in our offshore wind partnership with Ørsted. We continue to advance our three projects through the development process.

Construction continues at South Fork, which will be the first large-scale offshore wind project completed in North America. Installation of the South Fork subsea transmission cable that will deliver wind power to New York is half complete and the installation of the foundations, wind turbines, and offshore substation will follow. We continue to expect that South Fork will be fully operational by the end of the year.

In early April, the U.S. flagged ECO Edison, the first Jones Act-compliant wind farm service operation vessel reached the 50% completion milestone. This vessel, which will be based in Port Jefferson, New York, will play a key role in supporting our partnership's offshore wind projects. Just a few days ago, Eversource and Ørsted were joined by Rhode Island Governor, Dan McKee, to announce the start of construction of our advanced foundation components for our Revolution Wind project. This \$100-plus million investment is creating more than 125 union jobs for Rhode Island's skilled tradesmen and women and represents the largest supply chain commitment in Rhode Island yet.

Also last week, we announced with Ørsted our single largest New York offshore wind industry supply chain contract with the selection of Long Island-based contractor, Haugland Energy. This contract with Haugland will create more than 400 jobs for New York union workers to install the underground duct bank system for Sunrise Wind's onshore transmission line in Brookhaven, on Long Island. That contract helped raise the percentage of costs locked in for our three projects to approximately 92%. You will see this reflected on our offshore wind project updates on Slide 4.

You'll notice that some of the spend has been moved from 2023 into 2024, which John will touch on in his remarks. This change does not impact the in-service dates for our projects, as you can also see here on Slide 4. We continue to make progress on the strategic review of our offshore wind investment. We have shortlisted final interested parties in both our three offshore wind projects and a nearly 175,000 acres of uncommitted lease areas that are part of our 50-50 joint venture with Ørsted. We are making progress through extensive due diligence and continue to expect updates on an outcome of the strategic review later this quarter. Although offshore wind may not be a right fit for our portfolio of regulated T&D assets, we are big believers in the essential role offshore wind will play in bringing much needed clean energy to the New England region and lessening our reliance on natural gas for power generation.

Eversource is well-positioned to be the leading electric infrastructure provider, connecting this clean energy supply to New England's load centers. We remain focused on advancing our numerous climate initiatives in support of our region's efforts to significantly reduce carbon emissions. We continue to make progress in facilitating solar development in Massachusetts, through our distributed energy resources investments at NSTAR Electric.

After receiving DPU approval late last year for the first cluster of six capital investment projects, regulatory proceedings for the remaining five clusters are now complete. We expect Massachusetts regulators to issue final orders on those five clusters sometime this summer. This innovative model put in place by the Massachusetts Department of Public Utilities, with full participation of Eversource will alleviate significant distributed energy development roadblocks and is expected to lead to the addition of up to 1,000 megawatts of new solar energy capacity in Massachusetts.

Turning to Slide 5. Design work on our geothermal network project in Framingham, Massachusetts is now complete, and construction proposals are being evaluated. We expect to commence operation in time for the 2023 winter heating season. If the pilot is determined to be successful, we intend to make it available as a clean energy solution for customers.

Last, I'd like to provide a very positive update on the trajectory of customer bills. While the mild winter mitigated the impact on bills as a result of lower consumption, it also contributed to a significant decline in natural gas prices that is currently being reflected in natural gas customer bills. Natural gas prices also helped drive electric generation supply rates in New England and electric supply rates are expected to decline significantly in July for customers on basic or default service in Connecticut and Massachusetts.

We will file proposed tariffs with regulators later this month. This will be very welcome relief for our customers following the unprecedented spike we saw in electric bills in January. Thank you again for your time. I will now turn the call over to John Moreira.

John M. Moreira - Eversource Energy - Executive VP, CFO & Treasurer

Thank you, Joe, and good morning, everyone. This morning, I will review our results for the first quarter of 2023, discuss our recent Aquarion rate decision and review our most recent financing activity. I will start with Slide 6, our GAAP earnings were \$1.41 per share in the first quarter of 2023, compared with GAAP earnings of \$1.28 in the first quarter of 2022. First quarter results for 2022 include \$0.02 per share impact, primarily related to the integration and transition of the acquisition of the assets of Columbia [Gas of] (added by company after the call) Massachusetts, now known as Eversource Gas Company of Massachusetts.

So, the \$1.41 per share in the first quarter of 2023 is best compared with \$1.30 per share, excluding those costs in the first quarter of last year. Looking at some additional details on the first quarter earnings by segment. Our first quarter 2023 electric distribution earnings were \$0.47 per share, compared with \$0.41 in the first quarter of 2022. Improved results were driven largely by higher revenues at NSTAR Electric. This resulted from two factors, both related to the conclusion of our rate review from last year.

The first was a base rate increase that was effective January 1 of this year, which provided about \$0.03 per share benefit in the first quarter. The second was a rate design change that also took effect January 1 of this year. This design change eliminated the higher summertime demand charge. This change will have the effect of moving about \$0.08 per share of after-tax revenues out of expected third quarter results and into the first quarter and the fourth quarters of this year in roughly equal \$0.04 per share split. This annual rate design change is illustrated on Slide 7.

Continuing with the quarterly results on Slide 6. The first quarter 2023 benefits from those changes and the additional distribution revenues at Connecticut Light & Power were partially offset by higher interest costs and higher depreciation, as well as pension expense. Our electric transmission segment earned \$0.45 per share in the first quarter of 2023 as compared with earnings of \$0.43 in the first quarter of 2022. Improved results were driven by higher level of investment in our transmission facilities. Our natural gas distribution segment earnings were \$0.49 per share in the first quarter of 2023 as compared with earnings of \$0.47 in the first quarter of 2022.

Improved results were due primarily to higher base distribution revenues that took effect November 1, 2022, at NSTAR Gas, as well as Eversource Gas Company of Massachusetts. This was partially offset by higher depreciation, interest and property tax expense related to increased investment in our natural gas delivery systems to better serve our customers. Our first quarter water distribution segment earnings were \$0.01 per share lower this year as compared to the first quarter of 2022. And this is due primarily to higher operations and maintenance costs. Eversource parent and other companies' after-tax losses decreased \$12.5 million in the first quarter of 2023 as compared with the first quarter of 2022, and this is due primarily to benefit from our equity investment in a renewable energy fund, partially offset by a contribution to our charitable foundation.

This resulted in a \$0.03 per share benefit for the quarter. Additionally, after-tax transaction and transition costs decreased by \$4.8 million in the first quarter of 2023 as compared to the same period in 2022. Those benefits were partially offset by higher parent company interest expense for a net year-over-year improvement in the parent and other of about \$0.02 per share. Overall, as you can see on our income statement, we have managed our O&M quite well in the quarter despite the storm events we experienced in March and slightly higher pension costs.

Now turning to Slide 8. We are maintaining our full year guidance of \$4.25 to \$4.43 per share with a somewhat different quarterly earnings profile as compared to 2022. Once again, we expect that NSTAR rate design change to add about \$0.04 per share to the fourth quarter earnings as it did in the first quarter of this year, but will lower the third quarter earnings by about \$0.08 per share. Overall, the rate design changes will have no impact on the full year results.

In addition to reaffirming our long-term EPS growth rate solidly in the upper half of the 5% to 7% range, we also reaffirm our \$21.5 billion, five year regulated capital program that we discussed during our fourth quarter in February earnings call. Our core business capital expenditures totalled approximately \$790 million in the first quarter of 2023. As Joe noted earlier, we have changed the timing of some of our offshore wind construction costs. Previously, we projected \$1.9 billion to \$2.1 billion of 2023 construction costs related to our share of our joint venture with Ørsted. Now due to an expectation that the joint venture will be able to move approximately \$1 billion of payments from late 2023 to future periods, we are now

expecting \$1.4 billion to \$1.6 billion of offshore wind related expenditures in 2023, effectively lowering our capital projection by \$500 million in 2023 and raising it by \$500 million over the following years.

Overall, we have made no change to the estimated cost of completing our three projects or their timetable and continue to expect South Fork to be in service later this year and for Rev[olution] Wind and Sunrise Wind to enter service in 2025. In the first quarter of 2023, our share of capital expenditures totalled about \$200 million, putting our total offshore wind investment through March of this year at \$2.16 billion.

Moving to regulatory updates. For the first time in a while, we currently have no active rate reviews underway and have long-term rate plans in effect for many of our utilities. In March, we received a very disappointing decision in the Aquarion Connecticut's first rate review in about ten years. The rate decision, which ordered a \$2 million reduction to Aquarion rates was not unanimous. Two of the three commissioners commented that the 8.7% authorized return on equity provided a very negative signal for utility investment in Connecticut. Due to concerns with the legality of the decision and the negative long-term impact on customers we have appealed the decision to the Connecticut Superior Court, where a temporary stay is currently maintaining existing rates and preventing the rate reduction order by PURA. The next hearing on this stay is scheduled for May 15.

We look forward to working through the appeal process and believe we will come to a reasonable outcome that complies with the law, is good for our customers and provides us with the opportunity to recover our cost of service, including a fair return on our investments. Turning to financing activities, since our previous earnings call, we have issued \$750 million of parent company debt and retired \$450 million of parent debt just this week. As you can see from Slide 9, we have issued no additional shares through our ATM program, but through April, we distributed approximately 400,000 of treasury shares to meet our dividend reinvestment and employee incentive programs.

Finally, as some of you may know, Jeff Kotkin will be retiring from Eversource later this summer. I want to acknowledge Jeff for his many years of outstanding service to our company, the financial community, and our shareholders. I have had the pleasure of working with Jeff for more than twelve years, and I am sure you will agree he always goes the extra mile. Since the first day Jeff joined the communications department at the former Northeast Utilities, nearly 38 years ago, he has been an integral part of Eversource's journey, contributing to the company's growth, evolution and success amidst various challenges over the years.

Throughout it all, Jeff has delivered exceptional service to investors, been very supportive of his colleagues, while providing steady guidance to senior management and our Board. It's no wonder why Jeff has been widely recognized as the best IR professional in our industry for many, many years. We are all truly thankful for his devoted service and we wish him all the best as he spends more time with his growing family, whether it be on the Connecticut shoreline or in the beaches of Hawaii.

Thank you, Jeff. And you will certainly greatly be missed.

Jeffrey R. Kotkin - Eversource Energy - VP of IR

Thank you, John.

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

So with that said, I want to thank everyone for joining us this morning and looking forward to seeing many of you very, very soon. And now I'll turn the call over to Bob for Q&A.

Robert Becker - Eversource Energy - Director of IR

Thanks, John. Before we start Q&A, I'll return the call to J'son to let everyone know how to enter questions. J'son?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Robert Becker - Eversource Energy - Director of IR

Our first question this morning is from Shar at Guggenheim.

Shahriar Pourreza - Guggenheim Securities, LLC, Research Division - MD and Head of North American Power

Joe, I wanted to maybe start with a little bit more color, if you could provide on the sale process and maybe just additional thoughts beyond sort of the prepared remarks. I mean, are we still looking at three buyers that you can offload all the projects? And then just maybe how you're feeling about pricing? And Joe, the reason why I asked the pricing question is some investors are pitching that you'll sell the projects at substantial discount to book value. So maybe just give us any color on how you've seen valuations evolve even if it's generally.

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Yes. Well, thanks, Shar, for joining us this morning. We're very grateful. The process, as I have talked about in the past, when you don't own 100% of an asset, things take a little longer to transact. I will tell you that our transaction will involve two parties. It is very far along in the process, and that's why we can tell you with a high degree of confidence that you will have an answer or you'll have an announcement in the second quarter. I will tell you that certainly, the lease areas are highly coveted lease areas. I think we saw what has happened in the marketplace. So that I don't think has any impact, obviously.

On the project side, these are very mature projects. These are not just concepts on paper. These are projects that are very mature and in the process. So, for that, I think we'll recognize good value for those projects. Obviously, that's about the extent of what I can share with you. But I will tell you that we've been pleased with the process. We're pleased with what we're seeing. We're pleased with the results, and I think that at the end of the day, it will be a very good outcome for Eversource and Eversource's shareholders.

Shahriar Pourreza - Guggenheim Securities, LLC, Research Division - MD and Head of North American Power

Okay. Perfect. And then lastly, Joe, there's obviously been a good deal of attention in the investment community on the backdrop in Connecticut and the prospects really for lawmakers to tighten sort of the regulatory guardrails around things like settlements with SB 7. I guess how do you see that process evolving as the session enters its final innings to you and other utilities? Do you even have a seat at the table in those conversations? Just some aspects of this data became somewhat very adversarial. So, I'd love to maybe get some thoughts there.

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Yes. Thank you. And a valid question. I mean, when you look at the Aquarion, it's obviously, very disappointing. But I'll tell you, on the legislative front, we have a seat at the table. In terms of the governor, I do speak with him regularly, I spoke with him last week. We talked about a host of issues. But one of the pieces that he highlights, and I think it's important for this community to understand is, number one, he insists that we have a seat at the table, and he wants us to participate, and he basically shared that with folks who are better equipped around performance-based ratemaking than the utilities. We do very well in that environment. I mean, we do incredibly well here in Massachusetts. We have a PBR model in place.

We've had it in place for some time. And I think when you look at our track record, our performance, that speaks for itself how well we do. With regard to the legislative front, great relations with the legislature. We are with them. We talk with them. This happens every year. I grew up in this

part of the business. And it's -- unfortunately, it's like making sausage. It's a very challenging process and sometimes it's not too attractive. But at the end of the day, you can be assured that we do have a seat at the table and that we are communicating.

I think the last piece that you should take away is that event that the governor spoke about around performance-based rates he highlighted by name, both myself as well as Pedro about our ability to invest dollars. And we have choices where we can invest dollars. And if it's not attractive, then obviously, we've got other places we can go. So, I think that he was stressing that point to kind of get the message across to regulators that it's important that we have a seat at the table and that they collaborate with us. And that, in fact, it's a fair and equitable place to do business. So, I am confident, as I have been in the past, that we will get to a resolution that is workable and good for all, Shar.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

Got it. Perfect. And then, Jeff, congrats on Phase 2. You're going to be really missed and drinks -- unlimited drinks on Mr. Nolan and I. I appreciate it guys.

Joseph R. Nolan - *Eversource Energy - President, CEO & Chairman*

Every IR professional in the country is cheering because they might have a shot at the #1 slot this year. So that is what's going on there.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - MD and Head of North American Power*

There you go. Congrats, guys.

Robert Becker - *Eversource Energy - Director of IR*

Our next question comes from the line of Durgesh at Evercore.

Operator

I think they dropped their question.

Robert Becker - *Eversource Energy - Director of IR*

Our next question comes from the line of Paul Patterson.

Paul Patterson - *Glenrock Associates LLC - Analyst*

Okay. Good. You can hear me. Okay. So just to follow up on the -- first of all, congratulations, Jeff, again. But just to follow up on a couple of things. With the -- you mentioned that you've got PBR, you've got some experience with PBR and what have you. But one of the things that I think that you guys were focusing on as well as UI was regarding this CapEx, OpEx sort of U.K. portion of the order when it was a draft order and it stayed in the order. I was just wondering how you guys see that? And also, you mentioned the press conference that happened afterwards. How should we think about -- I mean, how do you think about, I guess, this element of the performance-based ratemaking order?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Paul, it's John. So, first of all, I think the order that came out was really more of a framework. The details are still out. We'll be picking this up in April of next year to finalize and work on the specifics. So, I think it's too early to make the determination.

Clearly, the U.K. model is a significant difference from how we've been operating through the traditional cost of service. And then -- and if we were to change to something that drastic, it would have significant ramifications financially and otherwise to the utilities in the country. So, I think it's too early for us to indicate one way or the other as to where things ultimately will shake out.

Paul Patterson - Glenrock Associates LLC - Analyst

Okay. So, we'll stay tuned, I guess. And then with respect to the May 15th Aquarion hearing, what should we think about as being -- what do you guys expect to happen at that hearing, I guess?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

I mean our expectation is that the stay would be a permanent stay from where it currently stands today, we feel very we, based on our assessment, we feel very comfortable with our position in the commentary that we've made in our filing, and we will make it on filing on Monday, briefs are due on Monday. So, more to come on that front. But hopefully, it will move from a temporary to a permanent stay until we see the appeal process work its way through.

Paul Patterson - Glenrock Associates LLC - Analyst

Okay. Great. And then in the prepared remarks on the offshore wind, just sort of wondering with respect to the potential for retaining some ownership of the JV. How should we think about that? Is that a strong possibility or...

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

No, it's not. It's not a strong possibility. We see a path for a clean exit from this. So that's not -- that's definitely not the case.

Paul Patterson - Glenrock Associates LLC - Analyst

Okay. Great. And once again, congratulations, Jeff.

Jeffrey R. Kotkin - Eversource Energy - VP of IR

Thank you, Paul.

Robert Becker - Eversource Energy - Director of IR

Our next question comes from the line of Steven Fleishman of Wolfe Research.

Steven Fleishman - Wolfe Research, LLC - MD & Senior Analyst

Yes. I am really happy I picked this call of all the other ones at this time to wish Jeff congratulations, and I think I may be one of the few people that remembers IR before Jeff at Northeast Utilities, but -- yes. Congrats.

Jeffrey R. Kotkin - Eversource Energy - VP of IR

Thank you.

Steven Fleishman - Wolfe Research, LLC - MD & Senior Analyst

So just -- just a follow-up on, I guess, the question on -- a couple of questions on the offshore wind sale. So, in the past, you've talked about two separate transactions for the leases and for the contracts. And wanted to clarify if that's still the case? Do you expect them to be announced at different times? And do you expect each of those to be announced during the second quarter?

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Yes, yes. So, thanks, Steve. Couple of things on this, we're talking about two announcements, two buyers in the second quarter, and there might be a space of a short period of time between announcements, but both in the second quarter, yes.

Steven Fleishman - Wolfe Research, LLC - MD & Senior Analyst

Okay. Great. And just on -- you mentioned, Joe, the clean exit, which is great. I just wanted to ask if there's any chance there need to be any like contingencies or stuff related to the projects that you need to commit to as part of this other than just supporting them locally, just any financial contingencies?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Steve, this is John. Yes, we're going through the negotiations right now. So, it's a little premature for us to indicate ultimately where that will shake out.

Steven Fleishman - Wolfe Research, LLC - MD & Senior Analyst

Okay. And just on the -- sorry, on the Connecticut, it -- so you're basically expecting that to kind of argue this through the courts and basically address it that way? Or -- you sounded like almost you think it could be like settled at some point. So, I just wanted to kind of clarify that.

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Yes. I mean, obviously, I think you know our track record around settlement. And if there's an opportunity there, we certainly will work with any parties around settlement. We -- the Aquarian asset, we've managed very, very well. We have very low rates. We've been making significant investments, as you know, that I think is one of the best run water companies. So, we do see an opportunity. We think we have allies in the state down there to kind of work through that. But as you know, it takes two to tango on the settlement space, and we need to have some willing participants. So, we'll always work towards settlement. We think settlement is the way to go and -- we're optimistic that we can probably have some type of an outcome that would benefit both parties.

Robert Becker - Eversource Energy - Director of IR

Our next question comes from Jeremy Tonet at JPMorgan.

Richard W. Sunderland - JP Morgan - Analyst

It's actually Rich Sunderland on for Jeremy. I wanted to touch on a higher-level topic -- Thank you. I want to touch on a high-level topic around what you're seeing on the offshore wind transmission side, just in late of the latest -- in light of the latest RFP. Any new thinking there or evolution of thought around the incremental investment opportunities over the balance of the decade?

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Well, I mean, I think that's -- that was one of the -- one of the points that had us make the pivot because we think there's so much opportunity in both the land aspect of it and the investment around not only the projects that we were involved in, but the projects that everybody else is involved with. We are very well positioned in this region at load centers and people want to get to those. So, because they want to get to them, they're going to go and spend time with us.

So we see a tremendous opportunity for investment in offshore wind as it relates to our regulated business. And that's really what our focus. Our focus has been around derisking and focusing on the regulated assets. So, we do see, Rich, a great opportunity, not only with Ørsted, but with these other wind partners, it's already playing out right now with other wind partners that we're -- that we won't have any ownership of building wind, but with transmission-related assets to help them inject clean energy into the New England and New York grid.

Richard W. Sunderland - JP Morgan - Analyst

Got it. Thanks for the color there. And then you touched on this already around customer bills, but curious now that we're coming out of winter, how do you see the overall regional backdrop into next winter? Really thinking around the supply concerns that you highlighted into this past winter.

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Yes. I mean, just a great question, and we've been talking about that. As you know, it was front and center for me and the company last -- last late summer, fall, and it's still on my radar, and I'm concerned about it. I'm concerned about fuel supply for generators. We're very interested in -- you saw what happened in PJM, where folks didn't show up. We had a similar situation on a smaller scale, take place in the ISO New England market where folks didn't show up when they were expected to show up. I think it was a shocker. The number -- the penalties they were talking about in PJM. I mean, up here, they were pretty significant.

So, we are focused every day on what we can do to help minimize the risk to our customers. Because although we could line up significant supply for our customers, at the end of the day, if people don't perform and the lights go out, they're going to come knocking on our door. And we are -- obviously it's not our fault, but you get blamed because the lights go out. So, we are focused every day in our energy supply area, in our transmission area, in our engineering area as to what we can do to facilitate solutions to fully enable this grid to operate during very challenging conditions. But in doing that, what it's going to also do is it's going to drive the price of energy down in the region, which is what our goal. We want to lower the clearing price in the region so that our customers are not getting the type of shock that they're getting, which has been devastating to them, and we know that.

Richard W. Sunderland - JP Morgan - Analyst

Got it. Very clear. And to Jeff, congrats and all the best.

Jeffrey R. Kotkin - Eversource Energy - VP of IR

Thank you.

Robert Becker - Eversource Energy - Director of IR

Our next question comes from Paul Zimbardo at BofA.

Paul Zimbardo - BofA Securities, Research Division - VP in Equity Research & Research Analyst

I know it's been said many times, but sad to hear the formal news, Jeff, and a big congrats, you're one of the few IRs who I have worked with my entire career, so well-deserved retirement.

Jeffrey R. Kotkin - Eversource Energy - VP of IR

Thank you, Paul.

Paul Zimbardo - BofA Securities, Research Division - VP in Equity Research & Research Analyst

And to dive into the actual quarter for a second, I know that you had the monetization of the clean energy investment. Was that the full investment. I know that there's typically that mark-to-market in the second quarter. So, I just want to confirm if you sold the full position there?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Yes, Paul, we did.

Paul Zimbardo - BofA Securities, Research Division - VP in Equity Research & Research Analyst

Okay. Great. And then thanks for all the context on Connecticut. I want to check, do you have any revised expectations on timing for any Yankee Gas rate case in the future?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

No, at this point, we do not. We continue to assess the timing of that rate request.

Robert Becker - Eversource Energy - Director of IR

Our next question comes from Ryan Levine at Citi.

Ryan Levine - Citigroup Inc., Research Division - VP

Hoping to follow-up on the offshore wind process. So, to the extent that you do move forward with announcing two transactions this quarter, what regulatory or other closing procedures would be needed or any sense around timing of any cash received for the company?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Sure, Ryan. So, it's different for the two pieces, right? So, it's different for the uncommitted lease area as it is for the contracted projects. Speaking of the contracted project, that's probably one that has a bit longer time frame for regulatory approval. We -- on that one there because we just -- our subsidiary or the joint venture that holds those projects are considered a public utility company. So, we would now need to obtain FERC

approval, and that's probably a three-month process. Other than that, it's more the traditional Hart Scott Rodino. And depending on who the ultimate buyer is, we could require CFIUS approval. But once again, I think that's very -- that's weeks, not months.

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

And keep in mind that this is -- there is a process in place. It took place when we acquired the Deepwater assets. So, it's not uncharted waters.

Ryan Levine - Citigroup Inc., Research Division - VP

Appreciate the color. So given that timeline, curious how you're thinking about your financing plan. I know you issued some parent debt at 545 basis points year-to-date. Are you considering the convert market, given that seems to be open to a lot of utilities in this environment?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Very good question. And right now, looking at the converts, we feel it's not the time and it's not right for us, just given kind of the -- where we're currently trading and kind of our valuations right now, doesn't make sense for us to do that until we have a little bit more certainty and get some announcements made. So, we don't see that in the near term as being the right option for us. But we -- just given the timing, we could be in the market for another holding company debt offering.

Ryan Levine - Citigroup Inc., Research Division - VP

Okay. I mean, you mentioned in your slide deck a May 1 maturity. Was there any update on what happened there?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Yes. So that one -- the \$750 million offering that we did in March kind of took care of that.

Robert Becker - Eversource Energy - Director of IR

Our next question comes from Travis Miller at Morningstar.

Travis Miller - Morningstar Inc., Research Division - Director of Utilities Research and Strategist

I'm going to public congratulations to Jeff. If you ever mistakenly find yourself in Chicago, let me know. I owe you drinks for all the help over the years, but try to avoid the wintertime here. Offshore wind again. Thinking about the -- you mentioned the payment shift there, the \$500 million. Thinking about the timing in terms of the close of any deal, does that payment shift save you the \$500 million of cash that you had previously planned to finance or allow you more capacity to invest in other places this year? Just thinking through the timing of that -- how that affects the plan?

John M. Moreira - Eversource Energy - Executive VP. CFO & Treasurer

Well, that \$500 million was more towards the tail end of this year, as I mentioned in my comments. So that just gets pushed out. Obviously, it's -- we avoid further construction cost commitments this year. And then, obviously, the pricing would be adjusted accordingly by the buyer.

Travis Miller - Morningstar Inc., Research Division - Director of Utilities Research and Strategist

Okay. Okay. And then I know this isn't your project, but there's another transmission line proposal out up your way from Canada. Any thoughts on differences between, say, Northern Pass or any of the other proposals that have been made over the decades that you know of?

Joseph R. Nolan - Eversource Energy - President, CEO & Chairman

Well, I mean we are not -- we're the offtaker. We're taking that power. And as we've always said, any time you inject 1,100 megawatts into the ISO or into the grid. That's good for all customers. It's clean energy that will be coming down from there. So, it's a lot of the same players that are involved in that opposition. We'll leave it at that. But I will tell you that any type of injection of clean resources into our marketplace is a good day for us. It's a good day for our customers.

Robert Becker - Eversource Energy - Director of IR

That was the last question we have this morning. So, we want to thank you all for joining us. And if you have any follow-up questions, please reach out to Investor Relations. Thank you.

Operator

That concludes the conference call. Thank you for your participation. You may now disconnect your lines.

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