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Ratings

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Connecticut Light & Power Co.

July 23, 2026

This report does not constitute a rating action.

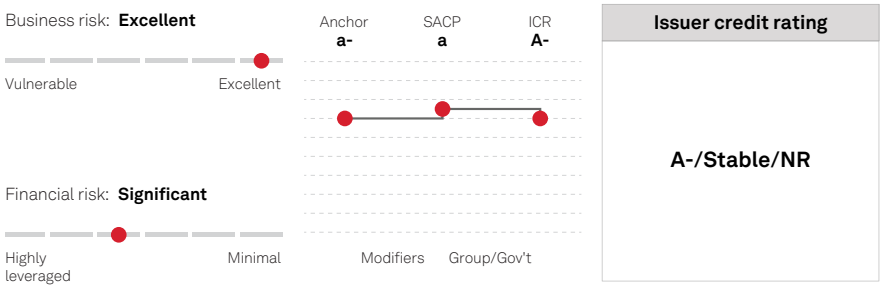
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Ratings Score Snapshot



ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Monopolistic electric transmission and distribution (T&D) utility operations.	Lack of operating diversity makes the company largely dependent on Connecticut regulators to sustain its credit quality.
About 40% of the company's rate base consisting of low-risk electric transmission operations.	Negative discretionary cash flow (DCF) forecast, indicating future external funding needs.
Our view of Connecticut Light & Power Co. (CL&P) as an insulated subsidiary of its parent Eversource Energy allows us to rate CL&P one notch above Eversource.	Service territory prone to localized storms and severe weather events.
Large customer base that supports stable cash flow.	

Connecticut Light & Power (CL&P) filed for a base rate case increase, proposing for new rates to go into effect on July 1, 2027. On July 14, 2026, CL&P filed for a rate case increase with Public Utilities Regulatory Authority (PURA) and is requesting to implement a new four-year performance-based multiyear rate plan. The rate request is for an approximate $727 million increase (inclusive of cumulative storm costs) or $451 million (exclusive of cumulative storm

costs). Storm costs relate to storms that occurred from 2018 through March 2025. In addition, the rate increase request is based on a 10.25% return on equity, premised upon a 53.86% equity capitalization ratio. CL&P received its last base rate increase order in April 2018. We will continue to monitor related developments.

We view the PURA's proposed storm cost recovery decision as supportive of credit quality. PURA's proposed final decision determined that CL&P prudently incurred about $944 million in storm costs. As such, PURA will consider about $742 million of such costs for recovery through securitization. We expect that the balance will be recovered through other existing regulatory mechanisms, including the competitive transition assessment charge and CL&P's storm reserve accrual. Based on PURA's proposed decision, the company will not be able to recover around $300 million of historical carrying charges associated with these costs, which we assess as modestly negative. However, we overall view this development as supportive of credit quality, as the securitization will bolster CL&P's financial measures because we assess such securities with non-bypassable customer charges as off-balance-sheet. Furthermore, PURA's decision signals potential improvement in the state's regulatory compact, which we will continue to closely monitor.

We do not expect the FERC's ROE order will materially impact CL&P's financial metrics. In April 2026, the U.S. Federal Energy Regulatory Commission (FERC) ordered a reduction in the prospective base return on equity (ROE) for all New England transmission owners including Eversource subsidiary CL&P to 9.57% from 10.57%. The FERC also determined that the regional transmission owners' equity returns dating back to 2011 were unjust and unreasonable, leading it to impose one-time rate refunds of about $932 million in total for parent Eversource, a portion of which affects CL&P. Following a joint motion from New England transmission owners, FERC has since extended the deadline for completing refunds to May 20, 2027, from the original 30-day timeframe.

While we view the one-time refunds as a negative development, we do not expect this will permanently weaken CL&P's credit quality. Furthermore, FERC has issued its initial order on the April 30th Section 205 filing, proposing to increase the base ROE for New England transmission owners to 11.39% from 9.57% and the incentive cap to 12.89% from 12.09%, which we view as favorable for the company. The ROE is suspended for five months until the end of November and is subject to further discussion. Overall, our base-case scenario assumes CL&P's funds from operations (FFO) to debt temporary weakens in 2026 to about 19-20%, before improving to 22-23% in 2027 and onwards.

We apply a positive comparable ratings analysis modifier in arriving at our stand-alone credit profile (SACP) for CL&P. This reflects our view that CL&P's financial measures will be consistently toward the higher end of the range for its financial risk profile category compared to peers. Specifically, we expect CL&P's stand-alone FFO to debt will average 20%-22% over the forecast period.

Connecticut Light & Power Co.

CL&P--Net property plant and equipment by segment

As of Dec. 31, 2025



FERC--Federal Energy Regulatory Commission. PURA--Connecticut Public Utilities Regulatory Authority. Source: S&P Global Ratings.

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Outlook

The stable outlook on CL&P reflects the stable outlook on parent Eversource. The stable outlook on Eversource reflects our expectation that Eversource will consistently maintain FFO to debt of 12%-15% through 2028 without increasing its business risk. The outlook also incorporates our belief that management will maintain its financial policy stance toward protecting credit quality.

Downside scenario

We could downgrade CL&P over the next 24 months if we downgrade parent, Eversource. This could occur if Eversource's consolidated financial measures deteriorate, such that FFO to debt remains below 12%.

Upside scenario

We could upgrade CL&P over a similar period if we do the same for parent Eversource. This could occur if Eversource maintains FFO to debt above 15% without experiencing an increase to its business risk.

Our Base-Case Scenario

Assumptions

- Formulaic rates for the company's transmission operations;
- Constructive regulatory outcome in pending base rate case filing;
- Timely recovery of costs recovered through the company's Rate Adjustment Mechanism for distribution rates;
- Capital spending that averages about $930 million annually;
- Dividends that average about $645 million annually;

- Negative discretionary cash flow;
- Cash tax payments throughout the forecast; and
- The refinancing of all debt maturities.

Key metrics

Connecticut Light & Power Co.--Forecast summary

Mil. $	2024a	2025a	2026e	2027f	2028f
Debt/EBITDA (x)	4.0	2.6	3-4	3-4	3-4
FFO/debt (%)	21.9	31.3	19-20	22-23	22-23
FFO cash interest coverage (x)	6.3	8.1	4-5	5-6	5-6

All figures are adjusted by S&P Global Ratings. a--Actual. e--Estimate. f--Forecast. FFO--Funds from operations.

Company Description

CL&P is a regulated electric transmission and distribution utility engaged in the purchase, delivery, and sale of electricity to about 1.3 million customers in Connecticut. CL&P is a wholly owned subsidiary of Eversource Energy. Overall, we expect CL&P to contribute about approximately 30% of Eversource's consolidated EBITDA.

Peer Comparison

Connecticut Light & Power Co.--Peer Comparisons

	Connecticut Light & Power Co.	Consolidated Edison Co. of New York Inc.	NSTAR Electric Co.	Rhode Island Energy	United Illuminating Co. (The)
Foreign currency issuer credit rating	A-/Stable/NR	A-/Stable/A-2	A-/Stable/A-2	A-/Stable/A-2	A-/Stable/--
Local currency issuer credit rating	A-/Stable/NR	A-/Stable/A-2	A-/Stable/A-2	A-/Stable/A-2	A-/Stable/--
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2025-12-31	2025-12-31	2024-12-31
Mil.	$	$	$	$	$
Revenue	5,241	15,651	3,987	2,168	1,341
EBITDA	1,969	5,141	1,459	351	283
Funds from operations (FFO)	1,608	4,143	1,031	291	209
Interest	232	1,253	292	117	59
Cash interest paid	226	1,167	263	93	54
Operating cash flow (OCF)	1,660	4,507	954	349	158
Capital expenditure	853	4,275	1,532	607	224
Free operating cash flow (FOCF)	807	232	(578)	(258)	(65)
Discretionary cash flow (DCF)	374	(902)	(1,015)	(363)	(65)
Cash and short-term investments	88	1,581	8	0	1

Connecticut Light & Power Co.

Connecticut Light & Power Co.--Peer Comparisons

Gross available cash	88	1,581	8	0	1
Debt	5,138	25,385	6,326	2,350	1,222
Equity	6,738	22,037	7,580	3,519	1,552
EBITDA margin (%)	37.6	32.8	36.6	16.2	21.1
Return on capital (%)	7.5	6.3	7.7	3.2	6.8
EBITDA interest coverage (x)	8.5	4.1	5.0	3.0	4.8
FFO cash interest coverage (x)	8.1	4.5	4.9	4.1	4.9
Debt/EBITDA (x)	2.6	4.9	4.3	6.7	4.3
FFO/debt (%)	31.3	16.3	16.3	12.4	17.1
OCF/debt (%)	32.3	17.8	15.1	14.9	13.0
FOCF/debt (%)	15.7	0.9	(9.1)	(11.0)	(5.4)
DCF/debt (%)	7.3	(3.6)	(16.0)	(15.4)	(5.4)

Business Risk

We assess CL&P's business risk profile as excellent, reflecting the company's lower risk regulated utility transmission and distribution (T&D) electric business, large size, and overall regulatory risk management that is generally in line with its peers. CL&P's business includes very low risk transmission operations (about 42% of EBITDA) that are regulated by what we consider a most credit supportive regulatory construct through FERC, reflecting the use of formula rates that support timely recovery of costs with limited regulatory lag.

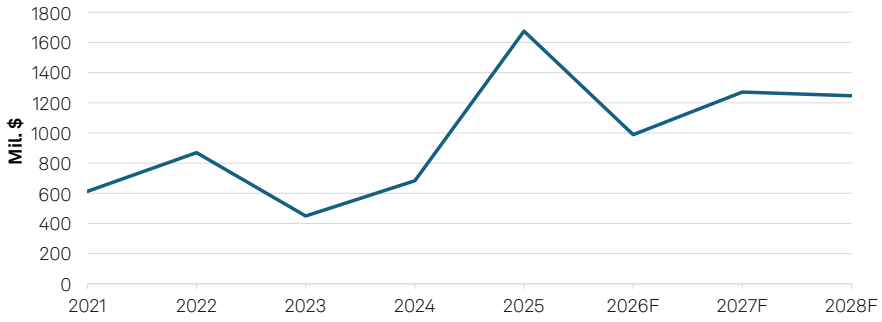
While CL&P has historically experienced a challenging regulatory environment in Connecticut, the PURA's recent proposed decision to consider about $742 million of CL&P's prior period storm costs for recovery through securitization signals potential improvement in the state's regulatory compact, which we will continue to closely monitor. Furthermore, our assessment of CL&P's business risk incorporates the company's service territory that is susceptible to severe weather such as localized storms and floods.

Financial Risk

We assess CL&P's financial measures using our medial-volatility table, reflecting its low-risk electric transmission and distribution operations and regulatory risk management. Under our base case, we expect the company's FFO to debt will average 20%-22% over the forecast period. Our base case assumes formulaic rates for the company's transmission operations, timely recovery of costs recovered through the company's Rate Adjustment Mechanism for distribution rates, capital spending that averages about $930 million annually, dividends that average about $645 million annually, negative discretionary cash flows, cash tax payments throughout the forecast, and the refinancing of all debt maturities.

Connecticut Light & Power Co.

CL&P--Operating cash flows

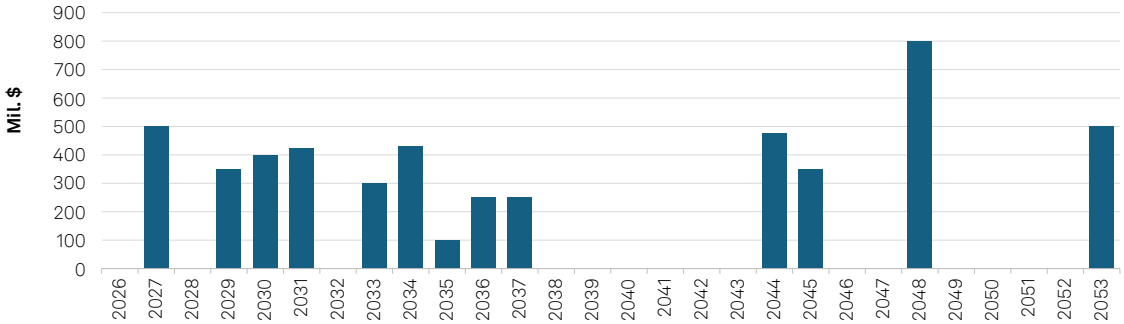


F - Forecast. Source: S&P Global Ratings.

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Debt maturities

CL&P--Debt maturities



Source: Company filings.

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Connecticut Light & Power Co.--Financial summary

Period ending	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	$	$	$	$	$	$
Revenues	3,548	3,637	4,818	4,579	4,615	5,241
EBITDA	1,133	1,118	1,494	710	1,386	1,969
Funds from operations (FFO)	964	913	1,202	567	1,205	1,608
Interest expense	165	174	179	206	245	232
Cash interest paid	158	167	175	187	228	226
Operating cash flow (OCF)	388	607	862	440	675	1,660

Connecticut Light & Power Co.

Connecticut Light & Power Co.--Financial summary

Capital expenditure	827	787	872	1,085	970	853
Free operating cash flow (FOCF)	(439)	(180)	(10)	(646)	(296)	807
Discretionary cash flow (DCF)	(511)	(524)	(305)	(979)	(632)	374
Cash and short-term investments	91	56	11	10	1	88
Gross available cash	91	56	11	10	1	88
Debt	4,288	4,267	4,295	5,164	5,506	5,138
Common equity	5,103	5,358	5,842	6,149	6,622	6,738
Adjusted ratios						
EBITDA margin (%)	31.9	30.7	31.0	15.5	30.0	37.6
Return on capital (%)	8.5	7.2	8.2	7.9	7.8	7.5
EBITDA interest coverage (x)	6.9	6.4	8.3	3.4	5.7	8.5
FFO cash interest coverage (x)	7.1	6.5	7.9	4.0	6.3	8.1
Debt/EBITDA (x)	3.8	3.8	2.9	7.3	4.0	2.6
FFO/debt (%)	22.5	21.4	28.0	11.0	21.9	31.3
OCF/debt (%)	9.1	14.2	20.1	8.5	12.3	32.3
FOCF/debt (%)	(10.2)	(4.2)	(0.2)	(12.5)	(5.4)	15.7
DCF/debt (%)	(11.9)	(12.3)	(7.1)	(19.0)	(11.5)	7.3

Reconciliation Of Connecticut Light & Power Co. Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2025									
Company reported amounts	5,110	6,796	5,241	1,953	871	212	1,969	1,675	436	868
Cash taxes paid	-	-	-	-	-	-	(136)	-	-	-
Cash interest paid	-	-	-	-	-	-	(208)	-	-	-
Lease liabilities	22	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	3	0	0	(0)	2	-	-
Intermediate hybrids (equity)	58	(58)	-	-	-	3	(3)	(3)	(3)	-
Accessible cash and liquid investments	(88)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	15	(15)	(15)	-	(15)
Share-based compensation expense	-	-	-	11	-	-	-	-	-	-
Asset-retirement obligations	36	-	-	3	3	3	-	-	-	-

Connecticut Light & Power Co.

Reconciliation Of Connecticut Light & Power Co. Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Nonoperating income (expense)	-	-	-	-	24	-	-	-	-	-
Total adjustments	28	(58)	-	16	27	21	(362)	(15)	(3)	(15)
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	5,138	6,738	5,241	1,969	897	232	1,608	1,660	433	853

Liquidity

We assess CL&P's liquidity as adequate, with sources covering uses by 1.1x over the coming 12 months, and we expect its sources will cover uses even if consolidated EBITDA declines 10%. We believe the predictable regulatory framework for CL&P provides manageable cash flow stability even in economic stress, supporting our use of slightly lower thresholds to assess liquidity. In addition, CL&P can absorb high-impact, low-probability events. We believe CL&P can reduce its capital spending (averaging about $930 million over the next five years) during periods of stress. This indicates a limited need for refinancing under such conditions. Furthermore, our assessment reflects generally prudent risk management, sound relationships with its banks, and a generally satisfactory standing in the credit markets. Overall, we believe CL&P can withstand adverse market circumstances over the next 12 months with sufficient liquidity to meet its obligations. Its next long-term debt maturity of about $500 million is in 2027, and we expect CL&P to proactively address debt maturities well in advance of their due dates.

Principal liquidity sources	Principal liquidity uses
• Cash of about $15 million; • Cash FFO of about $1.2 billion; and • Available credit facility of $600 million.	• Debt maturities over the next 12 months of about $540 million; • Working capital outflows of about $90 million; • Assumed maintenance capital spending of about $600 million; and • Dividends of about $300 million.

Covenant Analysis

Requirements

In Eversource's joint revolving credit agreement, there is a covenant for CL&P to maintain debt to capitalization below 65%.

Compliance expectations

As of March 31, 2026, CL&P was in compliance with this covenant, and we expect it to remain in compliance throughout our forecast.

Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of CL&P. However, we note that there has been some concern over affordability of the company's rates by regulators, which we continue to monitor.

Group Influence

We assess CL&P as a highly strategic subsidiary of Eversource because it is highly unlikely to be sold, operates in a line of business that is very closely aligned to the group's mainstream business, has a long term commitment from the group, is integral to the overall group strategy, is reasonably successful at what it does, is a significant contributor to the group, operates as a profit center of the group, and is closely linked to the parent's name and reputation. CL&P contributes approximately 30% of Eversource's EBITDA.

We rate CL&P one notch higher than Eversource's 'bbb+' group credit profile because of the strength of CL&P's stand-alone credit profile and the cumulative value of structural and regulatory protections in place that insulate it from Eversource.

Key insulating measures include:

- CL&P's businesses are independently regulated in the state in which it operates and by FERC.
- CL&P holds itself out as a separate entity from Eversource.
- CL&P has its own funding arrangements that are independent from the rest of the group.
- CL&P has no significant operational dependence on other group entities.
- CL&P maintains its own records.
- CL&P does not commingle funds, assets, or cash flows with the rest of the Eversource group.
- CL&P's financial performance is independent of Eversource.
- We believe there is a strong economic basis for Eversource to preserve CL&P's credit strength due to CL&P's low-risk, profitable, and regulated operations that make up a large portion of Eversource's operations.
- CL&P is a regulated utility with a regulatory capital structure.
- There are no cross-default provisions between CL&P and Eversource that imply that a default at Eversource would lead to a default at CL&P, which supports our opinion that a default at Eversource would not directly lead to a default at the company.

Issue Ratings--Subordination Risk Analysis

Capital structure

CL&P has $116.2 million of preferred stock outstanding on its balance sheet.

Analytical conclusions

We rate CL&P's preferred stock 'BBB', two notches below our issuer credit rating on the company because the dividends on these instruments are deferrable and because the instruments are subordinate to other debt in the utility's capital structure.

Issue Ratings--Recovery Analysis

Key analytical factors

CL&P's first-mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of more than 1.5x supports a recovery rating of '1+' and an issue-level rating one notch above our issuer credit rating.

Rating Component Scores	
Foreign currency issuer credit rating	**A-/Stable/NR**
Local currency issuer credit rating	**A-/Stable/NR**
Business risk	**Excellent**
Country risk	Very Low
Industry risk	Very Low
Competitive position	Strong
Financial risk	**Significant**
Cash flow/leverage	Significant
Anchor	**a-**
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	**a**
Group credit profile	bbb+
Entity status within group	**Highly strategic and insulated (-1 notch from SACP)**

Related Criteria

- Criteria | Corporates | General: Recovery Rating Criteria For Corporate Issuers, March 31, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018

Connecticut Light & Power Co.

- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of July 23, 2026)*

Connecticut Light & Power Co.	
Issuer Credit Rating	A-/Stable/NR
Preferred Stock	BBB
Senior Secured	A
Issuer Credit Ratings History	
09-Dec-2024	A-/Stable/NR
05-Mar-2024	A/Negative/NR
11-Jan-2024	A/Watch Neg/NR
14-Sep-2023	A/Negative/NR
22-May-2023	A/Stable/NR
09-May-2022	A/Positive/NR
29-Oct-2021	A/Stable/NR
Related Entities	
Eversource Energy	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated	BBB-
Senior Unsecured	BBB
Eversource Gas Co. of Massachusetts	
Issuer Credit Rating	BBB+/Stable/--
NSTAR Electric Co.	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preferred Stock	BBB
Senior Unsecured	A-
NSTAR Gas Co.	
Issuer Credit Rating	BBB+/Stable/--
Senior Secured	A
Public Service Co. of New Hampshire	
Issuer Credit Rating	A-/Stable/--
Senior Secured	A
Yankee Gas Services Co.	
Issuer Credit Rating	BBB/Stable/--

Connecticut Light & Power Co.

Ratings Detail (as of July 23, 2026)*

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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Research Update:

Eversource Energy And Subsidiaries Ratings Affirmed Following FERC Return On Equity Decision, Outlook Stable

April 10, 2026

Rating Action Overview

- The U.S. Federal Energy Regulatory Commission (FERC) recently ordered a reduction in the prospective base return on equity (ROE) for all New England transmission owners, including subsidiaries of Eversource Energy, to 9.57% from 10.57%. The FERC also determined that the regional transmission owners' equity returns dating back to 2011 were unjust and unreasonable, leading it to impose one-time rate refunds of approximately $940 million in the next 30 days. Eversource has since filed a motion for stay the FERC's order.
- Separately, Eversource recently included its previously announced sale of Aquarion Water Co. in its 2026 earnings guidance. Therefore, we now expect the sale will provide the company with $1.6 billion of net cash proceeds.
- While the potential refund would significantly weaken Eversource's financial measures, we believe the proceeds from the Aquarion sale and its expected securitization financings, combined with management's commitment to support its credit quality with equity and equity-like funding, will enable it to maintain average funds from operations (FFO) to debt consistently above our downgrade threshold.
- Therefore, S&P Global Ratings affirmed its 'BBB+' issuer credit ratings (ICRs) on Eversource and subsidiaries Eversource Gas Co. of Massachusetts, NSTAR Gas Co., as well as its 'A-' ICRs on Connecticut Light & Power Co., NSTAR Electric Co., and Public Service Co. of New Hampshire and its 'BBB' ICR on Yankee Gas Services Co.
- The stable outlooks on the company and its rated subsidiaries reflect our expectation that Eversource will consistently maintain FFO to debt of between 12% and 13% through at least 2028 without increasing its business risk. The outlook also incorporates our belief that management will take prudent financial policy steps to protect the company's credit quality, given its commitment to maintain the existing ratings.

Rating Action Rationale

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These actions reflect our expectation that management will take necessary steps to protect Eversource's credit quality. Our base-case scenario assumes Eversource will be required to refund up to $940 million to its New England transmission customers over an undetermined period that could start as early as 2026. While we expect the refund will significantly weaken the company's consolidated financial measures, we believe the cash proceeds from the expected Aquarion sale and its securitization financings in Connecticut and New Hampshire, combined with management's commitment to support its credit quality--including by funding its growing cash flow deficits with equity and equity-like financing--will enable it to maintain average FFO to debt of more than 12% through 2028. Our ratings on Eversource incorporate a negative comparable ratings analysis modifier, which reflects our view that its financial measures are in the lower end of our expected range for the significant financial risk profile category.

Our assumptions that the company will receive $1.6 billion of net proceeds from its sale of Aquarion in 2026, a constructive prudency review for Connecticut Light & Power's storm costs (leading to securitization proceeds of at least $980 million), securitization proceeds of about $450 million for Public Service Co. of New Hampshire, and sizeable equity and equity-like funding to support its $26 billion capital spending are integral to the rating affirmations. In addition, Eversource has committed to maintain at least a 100 basis point (bps) cushion relative to our 12% FFO to debt downgrade threshold. Therefore, our expectation that management will take appropriate actions to maintain this cushion supports our base case. Our base case also assumes Eversource's utility subsidiaries effectively manage regulatory risk in their respective jurisdictions, including in Connecticut.

We expect the company will complete construction of Revolution Wind in the second half of 2026. In mid-March 2026, Revolution Wind began delivering power to the New England grid. The 65-turbine project remains on target to achieve a commercial operation date (COD) during the second half of 2026. Eversource has a current contingent liability on its balance sheet totaling approximately $448 million, which reflects the purchase price post-closing adjustment payments under the terms of the sale agreement with Global Infrastructure Partners (GIP). We currently incorporate this amount as debt under Eversource. Furthermore, our base case assumes the project achieves COD with immaterial adjustments to this current contingent liability.

Outlook

The stable outlooks on the company and its rated subsidiaries reflect our expectation that Eversource will consistently maintain FFO to debt of between 12% and 13% through at least 2028 without increasing its business risk. The outlook also incorporates our belief that management will take prudent financial policy steps to protect the company's credit quality, given its commitment to maintain the existing ratings.

Downside scenario

We could downgrade Eversource and its subsidiaries in the next 24 months if the company's ability to effectively manage its regulatory risk weakens or its commitment to maintain its credit quality waivers, which would be reflected by FFO to debt of consistently below 12%.

Upside scenario

Although unlikely, we could upgrade Eversource and its subsidiaries in the next 24 months if it maintains FFO to debt of consistently above 15% without increasing its business risk.

Company Description

Eversource is a holding company that primarily engages in the energy delivery business through its wholly owned, regulated utility subsidiaries. Eversource's subsidiaries include the electric utilities Connecticut Light & Power Co., NSTAR Electric Co., and Public Service Co. of New Hampshire; the natural gas utilities Yankee Gas Services Co., Eversource Gas Co. of Massachusetts, and NSTAR Gas Co.; and the water utility company Aquarion Co. Eversource provides energy delivery and water service to approximately 4.4 million total customers in Connecticut, Massachusetts, and New Hampshire.

Our Base-Case Scenario

Assumptions

- Ongoing cost recovery through authorized mechanisms and periodic rate-case filings by Eversource's regulated utilities;
- The Aquarion Water Co. sale closes in 2026, providing the company with $1.6 billion in net proceeds while also reducing its EBITDA;
- FERC-related rate refunds lead to up to a $940 million one-time reduction in Eversource's revenue. The prospective change in its base ROE to 9.57% reduces the company's 2026 earnings by at least $70 million after tax;
- Eversource satisfies the contingent liability on its balance sheet totaling $448.2 million upon Revolution Wind's achievement of COD;
- Capital spending of $26.5 billion (net of Aquarion spending of $1.3 billion);
- Eversource funds its cash flow deficits with equity and equity-like funding of between $2.1 billion and $3.6 billion (assuming 50% equity content) and storm cost securitization proceeds in Connecticut and New Hampshire of between $980 million and $1.5 billion;
- Eversource pays minimal cash taxes over the forecast period; and
- All debt maturities are refinanced.

Liquidity

We assess Eversource's liquidity as adequate and expect its sources of cash will be 1.1x its uses over the coming 12 months. Furthermore, we project the company's net liquidity sources will remain positive even if its forecast consolidated EBITDA declines by 10%. We believe Eversource's predictable regulatory framework provides it with a manageable level of cash flow stability, even in times of economic stress, which supports our use of slightly lower thresholds to assess its liquidity.

In addition, we believe Eversource has the ability to absorb high-impact, low-probability events, which reflects its maintenance of about $2.65 billion of committed credit facilities through 2030, as well as its ability to lower its high capital spending (averaging about $4.0 billion-$4.5 billion annually) during stressful periods, which indicates a limited need for refinancing under such conditions. Furthermore, our assessment reflects the company's generally prudent risk management, sound relationships with its banking group (including over 10 well-established banks), and satisfactory standing in the credit markets.

Overall, we believe Eversource will likely be able to withstand adverse market circumstances over the next 12 months while maintaining sufficient liquidity to meet its obligations. The company has $1.4 billion of long-term debt maturities remaining in 2026, which we expect it will proactively address well in advance of their scheduled due dates.

Principal liquidity sources	Principal liquidity uses
• Credit facility availability of about $2.65 billion; • Cash FFO of about $2.85 billion; • Net cash proceeds from Aquarion sale of $1.6 billion; • Proceeds from Eversource's junior subordinated debt issuance of $1.5 billion; and • Cash of about $135 million.	• Debt maturities, including outstanding commercial paper (CP), of about $3.75 billion; • Contingent liability of $448.2 million reflecting the payment to Global Infrastructure Partners; • Assumed maintenance capital spending of about $3 billion; and • Dividends of about $1.1 billion.

Issue Ratings--Subordination Risk Analysis

Capital structure

- Eversource has about $28.7 billion of debt outstanding, about $16.7 billion of which was issued by the company's operating subsidiaries while the remainder reflects unsecured debt at the holding company.

Analytical conclusions

- We rate Eversource's senior unsecured debt one notch below our long-term ICR because it is subordinated to a significant amount of priority debt (more than 50% of total debt) in the company's capital structure.
- We rate Eversource's CP program based on our ICR.

Eversource Energy And Subsidiaries Ratings Affirmed Following FERC Return On Equity Decision, Outlook Stable

Rating Component Scores	
Eversource Energy	
Foreign currency issuer credit rating	BBB+/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2
Business risk	Excellent
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Strong
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	a-
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Negative
Stand-alone credit profile	bbb+

Rating Component Scores	
Connecticut Light & Power Co.	
Foreign currency issuer credit rating	A-/Stable/--
Local currency issuer credit rating	A-/Stable/--
Business risk	Excellent
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Strong
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	a-
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Positive
Stand-alone credit profile	a
Group credit profile	bbb+
Entity status within group	Insulated (-1 notch from SACP)

Eversource Energy And Subsidiaries Ratings Affirmed Following FERC Return On Equity Decision, Outlook Stable

Rating Component Scores	
NSTAR Electric Co.	
Foreign currency issuer credit rating	A-/Stable/A-2
Local currency issuer credit rating	A-/Stable/A-2
Business risk	Excellent
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Excellent
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	a+
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Neutral
Stand-alone credit profile	a+
Group credit profile	bbb+
Entity status within group	Insulated (-2 notches from SACP)

Rating Component Scores	
Public Service Co. of New Hampshire	
Foreign currency issuer credit rating	A-/Stable/--
Local currency issuer credit rating	A-/Stable/--
Business risk	Excellent
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Strong
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	a
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Neutral
Stand-alone credit profile	a
Group credit profile	bbb+
Entity status within group	Insulated (-1 notch from SACP)

Eversource Energy And Subsidiaries Ratings Affirmed Following FERC Return On Equity Decision, Outlook Stable

Rating Component Scores	
Eversource Gas Company of Massachusetts	
Foreign currency issuer credit rating	BBB+/Stable/--
Local currency issuer credit rating	BBB+/Stable/--
Business risk	Strong
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Satisfactory
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bbb
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Neutral
Stand-alone credit profile	bbb
Group credit profile	bbb+
Entity status within group	Core (+1 notch from SACP)

Rating Component Scores	
NSTAR Gas Co.	
Foreign currency issuer credit rating	BBB+/Stable/--
Local currency issuer credit rating	BBB+/Stable/--
Business risk	Excellent
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Strong
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	a-
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Neutral
Stand-alone credit profile	a-
Group credit profile	bbb+
Entity status within group	Core (-1 notch from SACP)

Rating Component Scores	
Yankee Gas Services Co.	
Foreign currency issuer credit rating	BBB/Stable/--
Local currency issuer credit rating	BBB/Stable/--
Business risk	Strong
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Satisfactory
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bbb
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Negative
Stand-alone credit profile	bbb-
Group credit profile	bbb+
Entity status within group	Highly Strategic (+1 notch from SACP)

Related Criteria

- Criteria | Corporates | General: Recovery Rating Criteria For Corporate Issuers, March 31, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013

- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings List

Ratings List	
Ratings Affirmed	
Eversource Energy	
Issuer Credit Rating	BBB+/Stable/A-2
Foreign Currency	BBB+/Stable/A-2
Connecticut Light & Power Co.	
Public Service Co. of New Hampshire	
Issuer Credit Rating	A-/Stable/--
Foreign Currency	A-/Stable/--
Eversource Gas Co. of Massachusetts	
NSTAR Gas Co.	
Issuer Credit Rating	BBB+/Stable/--
Foreign Currency	BBB+/Stable/--
NSTAR Electric Co.	
Issuer Credit Rating	A-/Stable/A-2
Foreign Currency	A-/Stable/A-2
Yankee Gas Services Co.	
Issuer Credit Rating	BBB/Stable/--
Foreign Currency	BBB/Stable/--
Eversource Energy	
Senior Unsecured	BBB
Junior Subordinated	BBB-
Eversource Energy	
NSTAR Electric Co.	
Eversource Energy	
Commercial Paper	A-2
Connecticut Light & Power Co.	
NSTAR Electric Co.	
Preferred Stock	BBB
NSTAR Electric Co.	
Senior Unsecured	A-
Ratings Affirmed; Recovery Ratings Unchanged	
Connecticut Light & Power Co.	
Public Service Co. of New Hampshire	
NSTAR Gas Co.	
Senior Secured	A
Recovery Rating	1+

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Eversource Energy And Subsidiaries Ratings Affirmed Following FERC Return On Equity Decision, Outlook Stable

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Eversource Energy's Proposed Fixed-To-Fixed Rate Junior Subordinated Notes Due 2056 Rated 'BBB-'

February 23, 2026

DALLAS (S&P Global Ratings) Feb. 23, 2026--S&P Global Ratings today assigned its 'BBB-' issue-level rating to Eversource Energy's proposed fixed-to-fixed rate junior subordinated notes due 2056. The company intends to use the net proceeds from this issuance to repay debt, as well as for general corporate purposes.

We classify these notes as hybrid securities with intermediate equity content (50%) when adjusting Eversource's financial statements. The intermediate equity assessment and the 'BBB-' issue-level rating, two notches below our 'BBB+' long-term issuer credit rating on the company, reflect the securities' subordination and management's ability to defer the interest payments on them. These notes are subordinated to Eversource's existing and future senior debt obligations, which satisfies the subordination condition. In addition, the long-term nature of the proposed notes, along with the company's limited ability and lack of incentives to redeem them for a long-dated period, meet our standards for permanence. Furthermore, management's ability to defer the interest payments due on the notes fulfills the deferability element.

While the coupon floor feature on the notes provides Eversource with less protection against some interest-rate and refinancing scenarios than equivalent hybrids without a floor, we expect the company would replace this instrument with an equivalent or stronger form of equity before a potential redemption to maintain a similar layer of capital to absorb losses or conserve cash when needed. Redeeming the notes without replacing them with an equivalent or stronger form of equity would likely preclude future equity credit, all remaining else equal.

We will reclassify the notes as having no equity content after February 2036 because the remaining period until maturity will be less than 20 years. Pro forma for this issuance, we expect hybrid securities will account for about 4% of Eversource's total capitalization, which is below the 15% threshold in our criteria.

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Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024

Eversource Energy's Proposed Fixed-To-Fixed Rate Junior Subordinated Notes Due 2056 Rated 'BBB-'

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Eversource Energy, Dec. 11, 2025
- Credit FAQ: How Hybrid Capital Innovations Affect Our View Of Equity Content, March 4, 2025

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Eversource Energy's Proposed Fixed-To-Fixed Rate Junior Subordinated Notes Due 2056 Rated 'BBB-'

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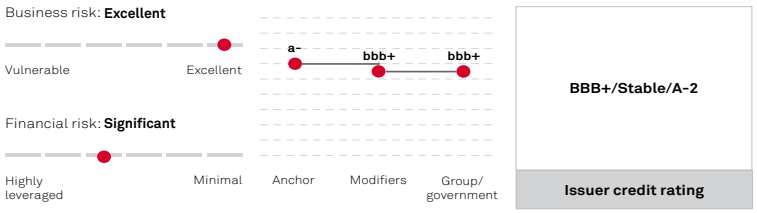
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Eversource Energy

December 11, 2025

This report does not constitute a rating action.

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths	Key risks
Monopolistic electric transmission and distribution, gas distribution, and water utility operations in New England.	Minimal financial cushion.
Effective management of regulatory risk, with mechanisms such as capital trackers, formula rates, revenue decoupling, and multiyear rate plans.	Cost-sharing agreement with Global Infrastructure Partners (GIP) related to the sale of the company's offshore wind investments.
Large customer base of about 3.4 million electric customers across three states, 900,000 gas customers across two states, and 250,000 water customers across three states.	Forecast negative discretionary cash flow indicates future external funding needs.
Mostly residential customer base provides for cash flow stability.	Elevated customer bills compared with national averages subjects the company to heightened political and regulatory scrutiny compared with peers.

The recent Connecticut Public Utilities Regulatory Authority's (PURA) decision to reject Eversource Energy's proposed sale of the Aquarion Water Co. to the South Central Connecticut Regional Water Authority did not affect the ratings on the company. Previously,

we expected the sale would close for an enterprise value of approximately $2.4 billion (including about $800 million of debt) and that Eversource would use proceeds from the transaction to reduce consolidated leverage to maintain funds from operations (FFO) to debt of about 13%. Following the denial of the Aquarion sale, we expect that Eversource's FFO to debt will modestly weaken by about 50 basis points, but we expect the company will maintain financial measures that are above its current FFO-to-debt downgrade threshold of 12%.

While the company has appealed PURA's decision, our revised base-case forecast assumes that Eversource will continue to own and operate Aquarion. Our base case also assumes the company will use existing regulatory rate-making mechanisms and spend $4.9 billion-$5.1 billion annually on capital spending through 2029. We also assume that the company will pay limited cash taxes through 2028, largely driven by its previously announced realizable federal tax benefits from prior offshore wind losses. Overall, we expect Eversource's consolidated FFO to debt will reflect 12%-13% through 2029.

Our base case assumes that the Revolution Wind offshore wind project will be operational by the second half of 2026. We also expect that Eversource will not increase its cost-sharing liability payments to GIP in connection with the company's exit from its offshore wind investments. Eversource announced in October that it had increased its liability related to the payments to GIP, as part of its sale of the South Fork Wind and Revolution Wind offshore wind projects, by approximately $285 million. The company also announced it expects to realize an approximately $210 million federal tax benefit associated with its losses on the sale of its offshore wind investments, resulting in a net aftertax charge of about $75 million.

This announcement came after an approximately one-month work stoppage at Revolution Wind following the U.S. Interior Department Bureau of Ocean Energy Management's (BOEM) Aug. 22 stop-work order. The stop-work order was lifted on Sept. 22 following an injunction by the U.S. District Court for the District of Columbia. The BOEM was given 60 days to appeal the injunction, and it did not file an appeal. Work has resumed at Revolution Wind, including the delivery and installation of an onshore substation, and the project remains on track for completion by the second half of 2026. That said, we will monitor developments regarding Revolution Wind that could affect the company's credit quality, including its ongoing litigation and any liabilities that may result.

We continue to monitor regulatory developments in Eversource's jurisdictions and how they may impact the company's credit quality.

Outlook

The stable outlook on Eversource and its rated subsidiaries reflects our expectation it will maintain FFO to debt of 12%-13%. The outlook also reflects our expectation that the company's regulatory risk management will not deteriorate further in Connecticut and it will finance any potential increases in its utility capital spending and Revolution Wind-related costs in a manner that supports its credit quality.

Downside scenario

We could downgrade Eversource and its subsidiaries in the next 24 months if its financial measures deteriorate such that its FFO to debt remains below 12%.

Upside scenario

We could upgrade Eversource and its subsidiaries in the next 24 months if it maintains FFO to debt of more than 15% without increasing its business risk.

Our Base-Case Scenario

Assumptions

- Continued use of existing regulatory mechanisms
- Regulated capital spending averaging $4.9 billion-$5.1 billion annually through 2029
- Dividend growth of 5%-7% annually through 2029
- Negative discretionary cash flow

Key metrics

Eversource Energy--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. $)	2021a	2022a	2023a	2024a	2025e	2026f	2027f	2028f
EBITDA (reported)	3,328	3,841	3,215	4,482	5,344	5,753	6,120	6,436
Plus: Operating lease adjustment (OLA) rent	12	12	11	15	15	15	15	15
Plus/(less): Other	18	28	18	23	2	5	7	10
EBITDA	3,358	3,881	3,245	4,520	5,362	5,773	6,142	6,461
Less: Cash interest paid	(575)	(646)	(818)	(1,071)	(1,285)	(1,391)	(1,483)	(1,561)
Less: Cash taxes paid	(122)	(78)	(39)	70	(99)	(119)	(169)	(243)
Plus/(less): Other	--	--	--	--	--	--	--	--
Funds from operations (FFO)	2,662	3,157	2,387	3,519	3,977	4,263	4,490	4,657
EBIT	2,083	2,335	2,630	3,018	3,501	3,740	4,060	4,250
Interest expense	618	717	920	1,197	1,315	1,421	1,513	1,591
Cash flow from operations (CFO)	1,907	2,342	1,564	2,061	3,397	4,177	4,353	4,315
Discretionary cash flow (DCF)	(2,059)	(1,941)	(3,651)	(3,360)	(2,614)	(2,137)	(1,903)	(1,863)
Debt (reported)	20,219	22,940	26,754	29,115	31,463	32,871	35,056	36,934
Plus: Lease liabilities debt	107	115	126	124	124	124	124	124
Plus: Pension and other postretirement debt	--	--	--	--	--	--	--	--
Less: Accessible	(67)	(375)	(54)	(27)	(75)	(75)	(75)	(75)

Eversource Energy--Forecast summary

cash and liquid Investments								
Plus/(less): Other	(124)	(101)	(18)	128	526	579	257	301
Debt	20,135	22,579	26,809	29,340	32,037	33,499	35,362	37,284
Equity	14,678	15,551	14,252	15,117	15,882	17,149	17,794	18,462
Adjusted ratios								
Debt/EBITDA (x)	6.0	5.8	8.3	6.5	6.0	5.8	5.8	5.8
FFO/debt (%)	13.2	14.0	8.9	12.0	12.4	12.7	12.7	12.5
FFO cash interest coverage (x)	5.6	5.9	3.9	4.3	4.1	4.1	4.0	4.0
EBITDA interest coverage (x)	5.4	5.4	3.5	3.8	4.1	4.1	4.1	4.1
CFO/debt (%)	9.5	10.4	5.8	7.0	10.6	12.5	12.3	11.6
FOCF/debt (%)	(6.2)	(4.8)	(10.2)	(8.0)	(4.8)	(3.0)	(2.0)	(1.6)
DCF/debt (%)	(10.2)	(8.6)	(13.6)	(11.5)	(8.2)	(6.4)	(5.4)	(5.0)
Return on capital (%)	6.1	6.4	6.6	7.1	7.6	7.6	7.8	7.8
Debt/debt and equity (%)	57.8	59.2	65.3	66.0	66.9	66.1	66.5	66.9

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. $--U.S. dollar.

Company Description

Eversource is a holding company that primarily engages in the energy delivery business through its wholly owned, regulated utility subsidiaries. Eversource's subsidiaries include the electric utilities Connecticut Light & Power Co., NSTAR Electric Co., and Public Service Co. of New Hampshire; the natural gas utilities Yankee Gas Services Co., Eversource Gas Co. of Massachusetts, and NSTAR Gas Co.; and the water utility company Aquarion Co. Eversource provides energy delivery and water service to approximately 4.6 million total customers in Connecticut, Massachusetts, and New Hampshire.

Peer Comparison

Eversource Energy--Peer Comparisons

	Eversource Energy	AVANGRID Inc.	FirstEnergy Corp.	National Grid North America Inc.	PPL Corp.
Foreign currency issuer credit rating	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/--	BBB+/Stable/A-2	A-/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/--	BBB+/Stable/A-2	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2023-12-31	2024-12-31	2025-03-31	2024-12-31
Mil.	$	$	$	$	$
Revenue	11,843	8,309	13,410	14,606	8,462
EBITDA	4,520	2,160	4,209	4,103	3,086
Funds from operations (FFO)	3,519	1,739	2,792	2,875	2,536
Interest	1,197	547	1,166	1,266	753

Eversource Energy

Eversource Energy--Peer Comparisons

Cash interest paid	1,071	461	1,255	1,187	673
Operating cash flow (OCF)	2,061	814	2,691	2,496	2,337
Capital expenditure	4,416	2,857	3,957	6,181	2,785
Free operating cash flow (FOCF)	(2,355)	(2,043)	(1,266)	(3,685)	(448)
Discretionary cash flow (DCF)	(3,360)	(2,740)	(2,322)	(3,685)	(1,212)
Cash and short-term investments	27	91	111	479	306
Gross available cash	27	91	111	479	306
Debt	29,340	12,877	25,271	28,237	16,792
Equity	15,117	20,676	13,720	24,402	14,317
EBITDA margin (%)	38.2	26.0	31.4	28.1	36.5
Return on capital (%)	7.1	3.3	6.7	4.5	6.0
EBITDA interest coverage (x)	3.8	3.9	3.6	3.2	4.1
FFO cash interest coverage (x)	4.3	4.8	3.2	3.4	4.8
Debt/EBITDA (x)	6.5	6.0	6.0	6.9	5.4
FFO/debt (%)	12.0	13.5	11.0	10.2	15.1
OCF/debt (%)	7.0	6.3	10.6	8.8	13.9
FOCF/debt (%)	(8.0)	(15.9)	(5.0)	(13.1)	(2.7)
DCF/debt (%)	(11.5)	(21.3)	(9.2)	(13.1)	(7.2)

Business Risk

Our assessment of Eversource's business risk incorporates its large size, regulatory diversity, monopolistic utility operations, and management of regulatory risk. The company's businesses include electric distribution, electric transmission (regulated by the FERC), gas distribution, and water distribution. Regarding the company's transmission business, we generally view the FERC regulatory construct as favorable, primarily because it uses formula rates that enable the recovery of costs with limited regulatory lag.

The company's lower-risk electric distribution, water, and natural gas distribution businesses operate under generally constructive, transparent, and predictable regulatory frameworks. Furthermore, these utilities use various constructive regulatory mechanisms, including formula rates (FERC and Massachusetts), forward test years (FERC), multiyear rate plans (New Hampshire), storm recovery mechanisms (Massachusetts and New Hampshire), securitization of costs related to stranded asset retirements (New Hampshire), and revenue decoupling (all jurisdictions). That said, utility bills in New England are among the highest in the country, which has challenged the company’s ability to manage its regulatory risk, especially in Connecticut. While many of the reasons for these elevated bills are out of the company’s control, the company has faced political scrutiny regarding its rates compared with peers.

Connecticut

In September, the chairman of the PURA resigned, leaving the commission with only two sitting commissioners. Over the past 18 months, we lowered our assessment of the commission’s credit supportiveness, which resulted in the downgrades of Eversource, its Connecticut-based utilities, and other utilities in the state, following a pattern of adverse regulatory decisions.

However, a few weeks after the chairman resigned, Connecticut's governor announced the appointment of four new commissioners and the retirement of one sitting commissioner, all of which is expected to be finalized by year-end. The new appointments will fill the commission with five members, which is larger than the size of the commission historically. Furthermore, the political party affiliations of the commission are balanced, as the commission will now be made up of two Democrats, two Republicans, and one independent member, which could be beneficial for the credit quality of the utilities in the state.

Additionally, the PURA recently rendered a decision in Avangrid subsidiary United Illuminating Co.'s rate case, in which it approved a $66 million rate increase for the company premised on a 9.25% return on equity (ROE) and 51% equity layer, which was two-thirds of the $105 million increase the company asked for.

It also recently rendered a decision in Yankee Gas Service Co.'s rate case, in which it approved an $96.0 million rate increase for the company premised on a 9.32% ROE and 53% equity layer, which was about 46% of the $209.7 million increase Yankee Gas asked for. We view these final orders as supportive of credit quality. That said, none of the new commissioners voted on these decisions--the chair recused himself because he previously participated in the cases during his time with the consumer's council, and the other three new commissioners either recused themselves because they did not have time to prepare for the case given their short tenure or had not been sworn in to the commission yet. We will continue to monitor what the overall commission changes mean for regulatory matters in the state, including future rate cases and the implementation of performance-based ratemaking.

Yankee Gas Rate Case Summary

	Company Request 11/12/2024	Commission Authorized 11/5/2025
Base rate change amount (mil. $)	209.7	96.0
Rate case test year-end date	12/31/23	12/31/23
Rate base (mil. $)	2543.5	2310.0
Rate base valuation method	Average	Average
Return on equity (%)	10.80	9.32
Common equity to total capital (%)	53.81	53.00
Rate of return (%)	7.89	7.03

Source: S&P CapitalIQ Pro and company filings.

Massachusetts

In October, the Massachusetts governor asked the Massachusetts Department of Public Utilities (DPU) to conduct a comprehensive review of gas and electric rates and charges to lower customer costs and bill volatility. Specifically, the governor asked the DPU to review these charges to determine whether they can be eliminated, reduced, or mitigated to reduce bill pressure. We believe this move reflects customer affordability concerns that could heighten regulatory risk in the state if not properly managed. We expect Eversource and other utilities in the state to work closely with the DPU to mitigate potential impacts that could arise because of this directive. We will continue to closely monitor related developments.

New Hampshire

In July, the New Hampshire Public Utilities Commission (PUC) granted Public Service Co. of New Hampshire (PSCNH) a $100.7 million base rate increase, including $61.2 million of previously approved interim rates. Key features of the rate order include an authorized ROE of 9.5%, authorized equity capitalization ratio of 50%, and annual rate increases of inflation plus 1.42% beginning in August 2026 for three years. We view this as supportive of Eversource's credit quality because the rate increase is generally consistent with its revised $102.8 million request in June 2025.

While the PUC lowered the company's equity layer by about 440 basis points, we believe the rate increase--coupled with predictive multiyear rate increases intended to track inflation and provide capital recovery--will reduce regulatory lag for PSCNH. Furthermore, PSCNH received a modestly higher authorized ROE, about 20 basis points above its last rate case order. While the company is appealing aspects of this rate case that concern weather normalization and the timeline to modify its credit card fee structure, we do not believe they are material. We continue to monitor proceedings concerning the company's recovery of $430 million of storm costs and assume credit supportive outcomes in our base case. We expect a regulatory decision for approximately $230 million by year-end 2025 and a decision for the remaining $200 million by the second half of 2026.

PSCNH rate case summary

	Company request* 6/6/2025	Commission authorized 7/25/2025
Base rate change amount (mil. $)	102.8	100.7
Rate case test year-end date	12/31/23	12/31/23
Rate base (mil. $)	1702	1687
Rate base valuation method	Year-end	Year-end
Return on equity (%)	10.30	9.50
Common equity to total capital (%)	53.85	50.00
Rate of return (%)	7.44	6.80

*Indicates the company's revised request following its initial request on June 11, 2024. N/A--Not applicable.
Source: S&P CapitalIQ Pro and company filings.

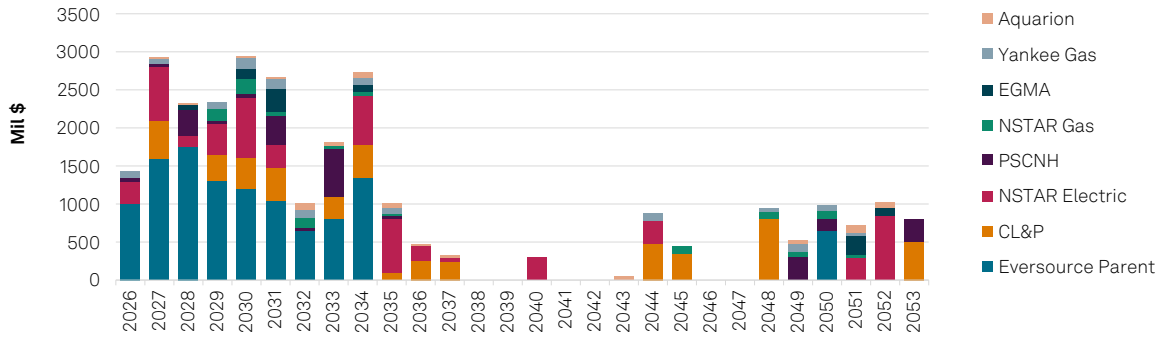
Financial Risk

We assess Eversource's financial risk using our medial volatility financial benchmark table, reflecting its lower-risk utility operations and effective management of regulatory risk. Our base-case forecast assumes that Eversource will continue to own and operate Aquarion, use existing regulatory rate-making mechanisms, and spend $4.9 billion-$5.1 billion annually on capital spending through 2029. We also assume that the company will pay limited cash taxes through 2028, largely driven by its previously announced realizable federal tax benefits from prior offshore wind losses. Overall, we expect Eversource's consolidated FFO to debt will reflect 12%-13% through 2029.

Debt maturities

Eversource Energy

Debt Maturities



Source: Company filings

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Eversource Energy--Financial Summary

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	$	$	$	$	$	$
Revenues	8,460	8,842	9,801	12,229	11,852	11,843
EBITDA	2,910	3,181	3,358	3,881	3,245	4,520
Funds from operations (FFO)	2,314	2,604	2,662	3,157	2,387	3,519
Interest expense	568	577	618	717	920	1,197
Cash interest paid	540	528	575	646	818	1,071
Operating cash flow (OCF)	1,947	1,621	1,907	2,342	1,564	2,061
Capital expenditure	2,886	4,033	3,157	3,420	4,292	4,416
Free operating cash flow (FOCF)	(939)	(2,412)	(1,249)	(1,078)	(2,728)	(2,355)
Discretionary cash flow (DCF)	(1,606)	(3,160)	(2,059)	(1,941)	(3,651)	(3,360)
Cash and short-term investments	15	107	67	375	54	27
Gross available cash	15	107	67	375	54	27
Debt	16,358	19,084	20,135	22,579	26,809	29,340
Common equity	12,708	14,141	14,678	15,551	14,252	15,117
Adjusted ratios						
EBITDA margin (%)	34.4	36.0	34.3	31.7	27.4	38.2
Return on capital (%)	6.0	6.6	6.1	6.4	6.6	7.1
EBITDA interest coverage (x)	5.1	5.5	5.4	5.4	3.5	3.8
FFO cash interest coverage (x)	5.3	5.9	5.6	5.9	3.9	4.3
Debt/EBITDA (x)	5.6	6.0	6.0	5.8	8.3	6.5
FFO/debt (%)	14.1	13.6	13.2	14.0	8.9	12.0
OCF/debt (%)	11.9	8.5	9.5	10.4	5.8	7.0
FOCF/debt (%)	(5.7)	(12.6)	(6.2)	(4.8)	(10.2)	(8.0)
DCF/debt (%)	(9.8)	(16.6)	(10.2)	(8.6)	(13.6)	(11.5)

Eversource Energy

Reconciliation Of Eversource Energy Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2024									
Company reported amounts	29,115	15,195	11,901	4,482	2,409	1,111	4,520	2,160	1,009	4,481
Cash taxes paid	-	-	-	-	-	-	70	-	-	-
Cash interest paid	-	-	-	-	-	-	(1,014)	-	-	-
Lease liabilities	124	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	15	2	2	(2)	13	-	-
Intermediate hybrids (equity)	78	(78)	-	-	-	4	(4)	(4)	(4)	-
Accessible cash and liquid investments	(27)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	64	(64)	(64)	-	(64)
Share-based compensation expense	-	-	-	30	-	-	-	-	-	-
Dividends from equity investments	-	-	-	21	-	-	-	-	-	-
Securitized stranded costs	(367)	-	(58)	(58)	(14)	(14)	14	(43)	-	-
Asset-retirement obligations	467	-	-	30	30	30	-	-	-	-
Nonoperating income (expense)	-	-	-	-	295	-	-	-	-	-
Debt: Debt serviced by third parties	(50)	-	-	-	-	-	-	-	-	-
D&A: Reverse goodwill amortization	-	-	-	-	297	-	-	-	-	-
Total adjustments	225	(78)	(58)	38	610	86	(1,001)	(98)	(4)	(64)
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	29,340	15,117	11,843	4,520	3,018	1,197	3,519	2,061	1,005	4,416

Liquidity

We assess Eversource's liquidity as adequate, with sources covering uses by 1.1x over the coming 12 months. Furthermore, we project its sources will cover uses even if forecast consolidated EBITDA declines by 10%. We believe the predictable regulatory framework for Eversource provides a manageable level of cash flow stability for the company even in times of economic stress, supporting our use of slightly lower thresholds to assess liquidity. In addition, Eversource has the ability to absorb high-impact, low-probability events, reflecting that the company

maintains about $2.65 billion in committed credit facilities through 2030, and our belief the company can lower its high capital spending (averaging about $4.9 billion-$5.1 billion annually) during stressful periods, indicative of a limited need for refinancing under such conditions.

Furthermore, our assessment reflects the company's generally prudent risk management, sound relationships with its banking group, and a satisfactory standing in the credit markets (credit default swap spreads are in line with investment-grade peer utilities). Overall, we believe the company should be able to withstand adverse market circumstances over the next 12 months with sufficient liquidity to meet its obligations. We expect the company to proactively address the upcoming debt maturities well in advance of the scheduled due dates.

Principal liquidity sources	Principal liquidity uses
• Credit facility availability of about $2.65 billion • Cash FFO of about $4.0 billion • Working capital inflows of about $40 million • Cash of about $259 million	• Debt maturities, including outstanding commercial paper, of about $2.7 billion • Assumed maintenance and minimal growth capital spending of about $2.3 billion • Dividends of about $1.1 billion

Covenant Analysis

Requirements

Eversource's revolving credit agreements include maximum debt-to-capital covenant ratio of 70% for Eversource and 65% for its subsidiaries.

Compliance expectations

We expect the company to maintain cushion under the leverage covenants in its credit agreements, even with a 10% decline in EBITDA.

Environmental, Social, And Governance

Environmental, social, and governance factors have no material influence on our credit rating analysis of Eversource.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Sept. 30, 2025, Eversource had about $29.8 billion of debt outstanding, about $17.7 billion of which was issued by the company's operating subsidiaries while the remainder reflects unsecured debt at the holding company.

Analytical conclusions

Eversource Energy

- We rate Eversource's senior unsecured debt one notch below the long-term issuer credit rating on the company because it is subordinated to a significant amount of priority debt (more than 50% of total debt) in the company's capital structure.
- We rate Eversource's CP program 'A-2' based on our ICR on the company.

Rating Component Scores	
Foreign currency issuer credit rating	**BBB+/Stable/A-2**
Local currency issuer credit rating	**BBB+/Stable/A-2**
Business risk	**Excellent**
Country risk	Very Low
Industry risk	Very Low
Competitive position	Strong
Financial risk	**Significant**
Cash flow/leverage	Significant
Anchor	**a-**
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Negative (-1 notch)
Stand-alone credit profile	**bbb+**

Related Criteria

- Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Sector-Specific Corporate Methodology, July 7, 2025
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014

Eversource Energy

- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of December 11, 2025)*	
Eversource Energy	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	BBB
Issuer Credit Ratings History	
09-Dec-2024	BBB+/Stable/A-2
05-Mar-2024	A-/Negative/A-2
11-Jan-2024	A-/Watch Neg/A-2
26-Oct-2023	A-/Negative/A-2
14-Sep-2023	A-/Stable/A-2
09-May-2022	A-/Positive/A-2
Related Entities	
Connecticut Light & Power Co.	
Issuer Credit Rating	A-/Stable/NR
Preferred Stock	BBB
Senior Secured	A
Eversource Gas Co. of Massachusetts	
Issuer Credit Rating	BBB+/Stable/--
NSTAR Electric Co.	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preferred Stock	BBB
Senior Unsecured	A-
NSTAR Gas Co.	
Issuer Credit Rating	BBB+/Stable/--
Senior Secured	A
Public Service Co. of New Hampshire	
Issuer Credit Rating	A-/Stable/--
Senior Secured	A
Yankee Gas Services Co.	
Issuer Credit Rating	BBB/Stable/--

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