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NSTAR/MA
Form 425
March 10, 2011

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Under the Securities Act of 1933

Subject Company: NSTAR

Commission File No.: 333-170754

Investor Meetings
MARCH 10-14, 2011

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This presentation contains statements concerning NU's expectations, beliefs, plans, objectives, goals, strategies, assumptions, events, future financial performance or growth and other statements that are not historical facts. These statements are forward-looking statements

within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, a listener or reader can identify the forward-looking statements through the use of words or phrases such as estimate, expect, anticipate, intend, plan, forecast, should, could, and other similar expressions. Forward-looking statements are based on the current expectations, assumptions or projections of management and are not guarantees of future performance. These expectations, estimates, assumptions

projections may vary materially from actual results. Accordingly, any such statements are qualified in their entirety by reference to the accompanying financial statements and are accompanied

by, the following important factors that could cause our actual results to differ materially from those contained in our forward-looking statements, including, but not limited to, actions or inaction of local, state and federal regulatory and taxing bodies; changes in business and economic conditions, including their impact on interest rates, bad debt expense and demand for our products and changes in weather patterns; changes in laws, regulations or regulatory policy; changes in levels and timing of capital expenditures; disruptions in the capital markets or

other
events

that
make
our
access

to
necessary
capital
more
difficult
or

costly;
developments
in legal or

public policy doctrines; technological developments; changes in accounting standards and financial reporting regulations; fluctuations in the value of our remaining competitive contracts; actions of rating agencies; the effects and outcome of our pending merger with NU; and other presently unknown or unforeseen factors. Other risk factors are detailed from time to time in our reports to the Securities and Exchange Commission (SEC). Any forward-looking statement speaks only as of the date on which such statement is made, and we understand our obligation to update the information contained in any forward-looking statements to reflect developments or circumstances occurring after the statement is made or to reflect the occurrence of unanticipated events.

This presentation references actual and projected EPS by business. EPS by business is a non-GAAP (not determined using generally accepted accounting principles) measure that is calculated by dividing the net income or loss attributable to controlling interest in the business

by
the
weighted
average
diluted
NU

parent
common
shares
outstanding
for
the
period.

Management
uses
this
non-GAAP
financial

measure to evaluate earnings results and to provide details of earnings results and guidance by business. This presentation also includes non-GAAP financial measures referencing our 2010 earnings and EPS excluding expenses related to the proposed merger and the recurring benefits from the settlement of tax issues. In addition, our 2011 earnings guidance excludes certain non-recurring charges, including merger costs we expect to incur during 2011, which is a non-GAAP financial measure. Management believes that these non-GAAP measurements are useful to investors to evaluate the actual and projected financial performance and contribution of NU's business.

GAAP
financial
measures

should
not
be
considered
as
alternatives
to
NU
consolidated
net
income
attributable
to
controlling
interests
or
EPS
determined in accordance with GAAP as indicators of NU's operating performance.
Safe Harbor Provisions

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Information Concerning Forward-Looking Statements
In addition
to
historical
information,
this
communication

may
contain
a
number
of
forward-looking
statements
as
defined
in
the
Private
Securities
Litigation
Reform
Act
of
1995.
Words
such
as
anticipate,
expect,
project,
intend,
plan,
believe,
and
words
and
terms of
similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements.
Forward-looking statements relating to the proposed merger include, but are not limited to: statements about the benefits of the
proposed merger involving NSTAR and Northeast Utilities, including future financial and operating results; NSTAR's and Northeast
Utilities
plans, objectives, expectations and intentions; the expected timing of completion of the transaction; and other statements
relating to the merger that are not historical facts. Forward-looking statements involve estimates, expectations and projections
a result,
are
subject
to
risks
and
uncertainties.
There
can
be
no
assurance
that

actual
results
will
not
materially
differ
from
expectations.

Important factors could cause actual results to differ materially from those indicated by such forward-looking statements. With

to the
proposed
merger,
these
factors
include,
but
are
not
limited

to:
the
risk
that
NSTAR
or
Northeast
Utilities

may
be
unable
to
obtain

governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay
merger

or
result
in
the
imposition
of
conditions
that
could
reduce
the
anticipated
benefits
from
the
merger

or
cause
the
parties to
abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the length of time necessary to consummate
the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other
synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction
making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time or
related
issues;
the
effect
of
future
regulatory
or
legislative
actions
on
the
companies;
and
the
risk
that
the
credit
ratings
of
the
combined
company
or
its
subsidiaries
may
be
different
from
what
the
companies
expect.
These
risks,
as
well
as
other
risks

associated
with
the

merger, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form
(Registration No. 333-170754) that was filed by Northeast Utilities with the SEC in connection with the merger. Additional risks
uncertainties

are
identified
and
discussed
in
NSTAR's
and
Northeast
Utilities
reports
filed
with
the
SEC
and
available
at
the
SEC's

website at www.sec.gov. Forward-looking statements included in this document speak only as of the date of this document. NSTAR nor Northeast Utilities undertakes any obligation to update its forward-looking statements to reflect events or circumstances after the date of this document.

Additional Information and Where To Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an approval. In connection with the proposed merger between Northeast Utilities and NSTAR, Northeast Utilities filed with the SEC a Registration Statement on Form S-4 (Registration No. 333-170754) that includes a joint proxy statement of Northeast Utilities and NSTAR that also constitutes a prospectus of Northeast Utilities.

Northeast Utilities and NSTAR mailed the definitive joint proxy statement/prospectus

to
their
respective
shareholders,

on
or
about
January
5,
2011.

Northeast
Utilities
and
NSTAR
urge

investors

and

shareholders to read the joint proxy statement/prospectus regarding the proposed merger, as well as other documents filed with the SEC, because they contain important information. You may obtain copies of all documents filed with the SEC regarding this proposed transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from

Utilities

website (www.nu.com) under the tab Investors

and then under the heading "Financial/SEC Reports.

You may also obtain

these documents, free of charge, from NSTAR's website (www.nstar.com) under the tab Investor Relations.

Please refer to our reports to the SEC for further details concerning the matters described in this presentation.

Safe Harbor Provisions

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Topics for Today

Merger status

NU -
2010 results and stand-alone 2011 outlook

NU -
Transmission segment

NU -
Electric distribution/generation segment

NSTAR
Company update

5
A Compelling Combination
Creates Largest Utility
Company in New England
Significant transmission investment
opportunities combined with balance sheet
strength provides for substantial growth
potential

Larger, more diverse and better positioned
to support economic growth and
renewables
in New England

Accretive to earnings in Year 1 and
provides enhanced total shareholder return
proposition

Enhances service quality capabilities to the
largest customer base in New England

Highly experienced and complementary
leadership team with proven track record

NSTAR Electric Service Area

NSTAR Gas Service Area

Northeast Utilities Electric Service Area

Northeast Utilities Gas Service Area

ME

NY

VT

NH

M

A

RI

Combined Service Territory

6

Key Merger Terms

Expected to close in the second half of 2011

Timing / Approvals:

Headquarters:

Dual

Hartford and Boston

Company Name:

Northeast Utilities

Consideration:

100% stock

Exchange Ratio:

1.312 shares of Northeast Utilities per NSTAR share

Pro Forma Ownership:

56% Northeast Utilities shareholders

44% NSTAR shareholders

Pro Forma Dividend:

At close, dividend increase for Northeast Utilities
shareholders

Dividend parity for NSTAR shareholders

Governance:

Chuck Shivery to be non-executive Chairman

Tom May to be President and CEO

14 Board members

7 nominated by Northeast Utilities including Chuck Shivery

7 nominated by NSTAR including Tom May

Balanced Terms and Governance

7

NU-NSTAR Merger Status

NU and NSTAR shareholders approved the merger by needed two-thirds votes on March 4

Hart-Scott-Rodino
waiting period expired in February without objection

FCC review complete without objection

FERC, NRC reviews pending

MA DPU

discovery under way, ruling expected soon on standard of review

CT DPUC

initially disclaimed jurisdiction. Now awaiting informational session and final decision

8
\$27.1
\$47.5
\$12.3
\$41.4
\$70.0
\$21.0
\$16.7

\$74.0

\$32.7

\$10.1

\$69.3

\$94.1

\$0.0

\$10.0

\$20.0

\$30.0

\$40.0

\$50.0

\$60.0

\$70.0

\$80.0

\$90.0

\$100.0

CL&P

PSNH

WMECO

Yankee Gas

2008

2009

2010

Improving Earnings in Distribution/Generation

Businesses

9
2010 Results and Standalone 2011 Guidance
2009
Actual
2010
Actual
2011
Guidance

NU Consolidated EPS

(GAAP)

\$1.91

\$2.19

\$2.10 -

\$2.25

Distribution/Generation

\$0.92

\$1.16

\$1.25 -

\$1.35

Transmission

\$0.95

\$1.00

\$1.05

\$1.10

Competitive

\$0.09

\$0.05

N/A

NU Parent/Other

(\$0.05)

(\$0.05)*

(\$0.05)**

NU Consolidated EPS

(Non-GAAP)

\$1.91

\$2.16

\$2.25

\$2.40

*

Excludes a \$0.09/share fourth quarter non-recurring tax gain at NU Parent and approximately \$0.06 of NU-NSTAR merger related expenses that were recorded in the fourth quarter.

**Excludes \$0.15/share of expected NU-NSTAR merger-related costs. Includes competitive results.

10
Final Resolution of All Three Electric Rate Cases

Five-year settlement
approved by NHPUC on
6/28/2010

\$45.5 million increase on

7/1/10 in addition to
8/1/09 temporary increase
of \$25.6 million

\$2.9 million decrease on
7/1/11

2012 & 2013 projected
increases of \$9.5 million &
\$11.1 million

Authorized ROE remains
9.67% (2010 distribution/
generation ROE was
10.2%)

Recovery of ice storm
costs over 7 years

Final decision 6/30/2010

\$63.4 million increase
effective 7/1/10

\$38.5 million increase
effective 7/1/11

Authorized 9.4% ROE at
6/30/10 (2010 ROE was
7.9%)

49.2% equity in capital
structure

Deferring initial increase
until 1/1/11

Ruling on health care issue
deferred to next rate case

Capex plan approved
PSNH
CL&P

Final decision 1/31/11

\$16.8 million increase
effective 2/1/11

Authorized 9.6% ROE (2010

ROE was 4.6%)

Decoupling approved

Capital investment recovery
mechanism rejected

\$2.1 million write-off taken in
fourth quarter 2010
WMECO

11
Southwest Connecticut
Reliability:
Projects Complete
1
Connecticut Borders (MA, RI):
NEEWS Projects Under Way
2

Transmission Business Strategy: Major Initiatives
Expanding Across Wider New England Geography
NPT

HVDC

3

Northern Pass Transmission
(NPT) Line between Quebec and
New Hampshire

Renewables & Clean Energy
(ME/NH/VT)

:

Projects in Development/
High Wind potential areas

4

Potential Wind Sites

^

12

NEEWS Projects Advance
Current Status Report
Greater Springfield Reliability Project

Received siting approval in CT and MA

Development and Management Plans approved
by CT Siting Council

Substation construction commenced in MA in Dec.
2010

Commenced overhead construction in MA in
February 2011

Commence overhead construction in CT in early
2012

Project in-service: late 2013
Interstate Reliability Project

Joint project with National Grid (*NU in CT; NGrid
in MA & RI*)

ISO-NE confirmed need date in August 2010

File siting application in CT in late 2011

Siting decision in CT in mid/late 2013

Commence construction: late 2013/early 2014

Project in-service: late 2015

SPRINGFIELD

HARTFORD

345-kV Substation

Generation Station

345-kV ROW

115-kV ROW

Central Connecticut

Reliability Project

Interstate

Reliability Project

Greater Springfield

Reliability Project

Central Connecticut Reliability Project

Awaiting completion of ISO-NE's reassessment of need and need date

Project milestones estimated 12 months behind IRP

13
Northern Pass Transmission
a \$1.1 Billion Capital
Investment
,

To be owned by Northern Pass Transmission
LLC -

NU (75%) and NSTAR (25%)

1,200 MW transfer capability

Northern terminus at Des Cantons (Québec),
southern terminus in Franklin (New
Hampshire)

Québec terminal will convert the power
from AC to DC (rectifier)

US terminal will convert the power from
DC to AC (inverter)

345kV AC leg from Franklin to Deerfield, NH

Capital cost estimate for US segment: \$1.1
billion

TSA signed in October 2010 and accepted by
FERC on February 11, 2011

Permitting process began October 14, 2010
with U.S. DOE application

PPAs under discussion

Des Cantons

HVDC Line

HVDC Converter

Station

345-kV Line

Existing Deerfield

Substation

Deerfield

Franklin

14
Q4 2011
Begin long lead time material procurement
\$ 1.1 Billion
Project cost -
(U.S. side)
Late 2015
In-Service Date

Q1 2013
Complete siting approvals
2013
Begin Construction
Q4 2011
New Hampshire Siting (SEC) application filed
Oct 2010
DOE Presidential Permit application filed
Oct 2010
Transmission Service Agreement (TSA) signed
Q1 2011
Execute Term Sheets for EPC
Feb 2011
FERC accepts TSA
Dec 2010
TSA FERC filing
Oct 2010
ISO Technical Approval application filed
May 2009
FERC declaratory order received
Dec 2008
Initial FERC filing for declaratory order
Milestone Date
Milestone
Northern Pass Transmission -
Project Milestones as of 3/1/11

15
NEEWS projects
ramping up
2001-2015 Transmission Capital Expenditures
\$0
\$100
\$200
\$300

\$400

\$500

\$600

\$700

\$800

Base Reliability

Major Southwest CT

NEEWS

Northern Pass

Historic

Forecast

\$2.9 Billion

\$2.8 Billion

NU's share of

NEEWS project

estimated at

\$1.449 billion

\$845 million of

additional forecasted

projects

\$261 Million

Northern Pass

HVDC Line to

Canada

US portion

estimated at \$1.1

billion with \$830

million NU

ownership share

Successful

completion of

SWCT projects

SWCT projects

total \$1.6 billion

16

NU Actual and Projected Transmission Year-End

Rate Base

\$2,099

\$2,178

\$2,234

\$2,394

\$2,552

\$315

\$341

\$360

\$406

\$406

\$505

\$183

\$269

\$459

\$650

\$730

\$803

\$2,149

\$2,114

\$540

\$834

\$830

\$0

\$500

\$1,000

\$1,500

\$2,000

\$2,500

\$3,000

\$3,500

\$4,000

\$4,500

\$5,000

2009

Actual

2010

Actual

2011

2012

2013

2014

2015

CL&P

PSNH

WMECO

Northern Pass

Transmission

Rate Base

CAGR of 10.5%

\$

2,597

\$

2,759

\$3,234

\$3,370

\$

3,733

\$

4,725

*100% CWIP assumed for NEEWS projects

\$

2,933

**NU share of this project is depicted as traditional rate base which accrues AFUDC during construction

**

*

*

17

Efforts Under Way to Bring Northern New England Wind
Generation to Market

New England RPS requirements are
21% by 2020, and existing resources
provide only 6%

Complement current ISO-NE regional
planning and potential FERC changes

Create efficiencies by optimizing
multiple wind sites and required
transmission

Get clean renewable energy to New
England's load sites

Utilize

a

beneficiary-pay

model

that

provides transparency for customers

and regulators

NU, NSTAR, National Grid, and United Illuminating working
collectively on this model

18
\$305
\$337
\$320
\$317
\$329
\$336
\$83

\$133
\$84
\$113
\$117
\$127
\$132
\$132
\$10
\$22
\$9
\$5
\$5
\$5
\$33
\$36
\$39
\$39
\$40
\$177
\$112
\$52
\$52
\$29
\$1
\$40
\$29
\$0
\$50
\$100
\$150
\$200
\$250
\$300
\$350
\$400
\$450
\$500
\$550
\$600
\$650
\$700
\$750
2010
Actual
2011
2012
2013
2014
2015
PSNH - Generation (\$274M total)

WMECO - Distribution (\$194M total)

WMECO - Generation (\$46M total)

PSNH - Distribution (\$621M total)

CL&P - AMI/Smart Grid (\$217M total)*

CL&P - Distribution (\$1,639M total)

Electric Distribution and Generation Capital

Expenditures

By Company

2011-2015 Projected Electric Distribution and Generation Spending

\$3 Billion

\$609

\$675

\$618

\$541

\$537

\$620

*Total AMI-related capex through 2016 expected to be approximately \$300 million

2011

2015

Capital Expenditures

NU Generation Strategy
WMECO Solar Initiative
PSNH Generation Business Plan
Installation of 6 MW solar projected by
2012
Estimated cost: \$41 million
Completed 1.8 MW of solar at first site in

Pittsfield, MA in October 2010
4.2 MW site in Springfield, MA on capped
landfill, identified for second project
Constructive
regulatory
model

fully
tracking, segmented rate base
Five-year strategy preserves existing 1,200
MW New Hampshire fleet
Completes the Merrimack Scrubber
Estimated cost reduced from \$457
million to \$430 million
\$296.5 million capitalized at 12/31/10
Ahead of schedule: 82% complete as
of 2/28/11
Assesses additional growth opportunities
in renewables
19

20
Yankee Gas Capital Expenditures
\$25
\$30
\$48
\$50
\$51
\$52

\$30
\$37
\$31
\$30
\$31
\$33
\$13
\$16
\$20
\$20
\$21
\$22
\$27
\$30
\$13
\$26
\$26
\$0
\$10
\$20
\$30
\$40
\$50
\$60
\$70
\$80
\$90
\$100
\$110
\$120
\$130
\$140
\$150
2010
Actual
2011
2012
2013
2014
2015
Aging Infrastructure
Basic Business
Peak Load / New Business
WWL
Gas supply infrastructure
2011-2015 Projected Yankee Gas Capital Spending
\$587 Million
\$95
\$120
\$129

\$126

\$99

\$113

Investing \$587 million, leveraging natural

gas as the fuel of choice

Distribution system expansion: \$30

million for 16-mile Waterbury to

Wallingford Line (WWL)

Gas supply infrastructure

Sales growth opportunities to supply

renewable generation (fuel cells, DG)

Yankee Gas Strategy

21

Fills gaps in supply portfolio

Eliminates system constraint in
Cheshire area

Increases vaporization capacity of

Waterbury LNG project

Yankee Gas

\$57.6 million expansion

project began in April 2010

(Waterbury to Wallingford Line

Project); \$26.6 million invested in 2010

Key elements of current Yankee Gas

rate case

\$32.8 million increase effective

7/1/11

\$13 million increase effective

7/1/12

Maintain current 10.1% ROE

Waterbury to Wallingford Project to Add

Needed Supply for System Demand

22
2009-2015: NU Actual and Projected Capital
Expenditures and Depreciation
\$1,036
\$1,209
\$1,216
\$969
\$1,407

\$1,428

\$1,331

\$310

\$301

\$305

\$332

\$359

\$382

\$413

\$0

\$200

\$400

\$600

\$800

\$1,000

\$1,200

\$1,400

\$1,600

2009

Actual

2010

Actual

2011

2012

2013

2014

2015

Total Capex (incl. cost of removal and AFUDC)*

Depreciation

Significant

capital

spending

through

2015

*Totals include capex at corporate service companies on behalf of operating companies of \$53 million in 2009 and \$69 million in 2010 and estimated at \$32 million in 2011, \$28 million in 2012, \$35 million in 2013, \$34 million in 2014, and \$28 million in 2015.

23
\$2,597
\$2,933
\$3,234
\$3,370
\$3,733
\$4,725
\$3,303
\$3,670
\$3,912
\$4,171
\$4,516
\$4,893
\$407
\$405
\$758
\$773
\$773
\$763
\$691
\$682
\$743
\$756
\$790
\$2,759
\$3,488
\$426
\$847
\$969
\$0
\$2,000
\$4,000
\$6,000

\$8,000
\$10,000
\$12,000

2009

Actual

2010

Actual

2011E

2012E

2013E

2014E

2015E

Transmission

Distribution

Generation

Yankee Gas

Capital Program Benefits Customers and Produces

Attractive Rate Base Growth

\$7,334

\$8,660

\$7,772

\$9,104

Actual and

Projected Total

Rate Base

2009-2015

CAGR of 8.4% (using

2009 as base year)

\$6,998

\$9,869

Projected Electric

Distribution

CAGR of 6.8%

Projected Transmission

CAGR of 10.5%

\$11,350

Projected Generation

CAGR of 11.0%

Projected Natural Gas

Distribution

CAGR of 5.8%

NSTAR
Company Update March 10, 2011

25
NSTAR Safe Harbor
Information Concerning Forward-Looking Statements
In addition
to
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contain

a

number

of

forward-looking

statements

as

defined

in

the

Private

Securities

Litigation

Reform Act of 1995. Words such as anticipate, expect, project, intend, plan, believe, and words and terms of similar substance

any discussion of future plans, actions, or events identify forward-looking statements. Forward-looking statements relating to

include, but are not limited to: statements about the benefits of the proposed merger involving NSTAR and Northeast Utilities,

and operating

results;

NSTAR's

and

Northeast

Utilities

plans,

objectives,

expectations

and

intentions;

the

expected

timing

of

completion

of

the

transaction; and other statements relating to the merger that are not historical facts. Forward-looking statements involve estimates

projections and, as a result, are subject to risks and uncertainties. There can be no assurance that actual results will not materially

exceed expectations. Important factors could cause actual results to differ materially from those indicated by such forward-looking statements

the proposed merger, these factors include, but are not limited to: the risk that NSTAR or Northeast Utilities may be unable to

obtain regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in

unfavorable conditions that could reduce the anticipated benefits from the merger or cause the parties to abandon the merger; the risk that a

merger may not be satisfied; the length of time necessary to consummate the proposed merger; the risk that the businesses will not

be realized successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer

to be realized than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers;

management time on merger-related issues; the effect of future regulatory or legislative actions on the companies; and the risk that

the combined company or its subsidiaries may be different from what the companies expect. These risks, as well as other risks

related to the

merger,

are

more

fully
discussed
in
the
joint
proxy
statement/prospectus

that
is
included
in
the
definitive
proxy
statement

that
was
filed
by
NSTAR with
the Securities and Exchange Commission (SEC) on January 5, 2011 and the Registration Statement on Form S-4 (Registration
was filed

by
Northeast
Utilities
with
the
SEC

in
connection
with
the
merger.

Additional
risks
and
uncertainties

are
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in

NSTAR's
and Northeast Utilities

reports filed with the SEC and available at the SEC's website at www.sec.gov. Forward-looking statements included in this document speak only as of the date of this document. Neither NSTAR nor Northeast Utilities undertakes any obligation to update statements to reflect events or circumstances after the date of this document.

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joint proxy
statement
of
Northeast
Utilities
and
NSTAR
that
also
constitutes
a
prospectus
of
Northeast
Utilities.

Northeast
Utilities
and
NSTAR
first
mailed

the definitive joint proxy statement/prospectus to their respective shareholders, on or about January 5, 2011. Northeast Utilities
investors and shareholders to read the joint proxy statement/prospectus regarding the proposed merger, as well as other documents
because they contain important information. You may obtain copies of all documents filed with the SEC regarding this proposal
charge,

at
the
SEC's
website
(www.sec.gov).

You
may
also
obtain
these
documents,
free
of
charge,
from
Northeast
Utilities
website
(www.nu.com)
under
the
tab

Investors
and
then

under
the
heading
"Financial/SEC
Reports.
You
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also
obtain
these
documents,
free
of
charge,
from
NSTAR's
website (www.nstar.com) under the tab Investor Relations.

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Premier Service Territory

Solid, diverse customer base

Solid, diverse customer base

Sales growth better than U.S.

Sales growth better than U.S.

overall

overall

Positive outlook for economy

Positive outlook for economy

27

Customer Mix Provides Stability

57% Commercial & Industrial

43% Residential

63% Residential

37% Commercial & Industrial

Electric (\$2.5 billion)

Gas (\$.5 billion)

Health Care
Education
Biotech
Government
Financial

28
A Long History of Negotiated, Multi-Year Distribution
Rate Agreements

25
years
of
rate

agreements

last
litigated
rate
increase
in
1986

Fully reconciling pension & post-retirement mechanism and
recovery of energy supply

Current electric rate plan through December 31, 2012

10.5% ROE with +/-
2% neutral zone

Plan to pursue a new rate agreement effective in 2013

History of Disciplined Cost Control

2006

\$431

2007

2008

Total Operations & Maintenance Expense

\$447

\$ IN MILLIONS

2009

\$454

2010

\$431

Productivity & automation
focus

Performance driven
culture

Engaged workforce and
constructive union
relations

Continuous improvement
philosophy

Key Drivers

\$447

29

20 Consecutive Years of Operating Earnings Growth

\$2.37
2007
2008
\$2.07
\$2.22
2009
2010

\$2.56
\$2.60 -
\$2.75
2011
Guidance
30

Consistent, Above Average Dividend Growth
13 Consecutive Years of Increase

\$1.30
\$1.40
\$1.50
2006
2007
\$1.60

2008
2009
2010
\$1.70
31

32
Solid Results
For 2010
2009 - EPS
2.37
\$
Higher electric sales (+3.3%) and performance-based adjustment
0.21

Gas sales (-2.8%)
(0.02)
Higher transmission revenue
0.07
Lower interest costs
0.09
Increase in operations and maintenance
(0.12)
Decline in mitigation incentive revenues - transition costs
(0.03)
Increase in depreciation, amortization and property taxes
(0.04)
Non-utility operations
(0.01)
Lower common shares outstanding
0.04
0.19
2010 - EPS before one-time items
2.56
Tax settlement
(0.20)
Merger-related costs, net
(0.05)
Gain on sale of discontinued operations
1.04
Reported EPS -2010
\$3.35

33
1996
2010
\$1,000
\$2,000
\$3,000
\$4,000
\$5,000

\$6,000
S&P 500
Utility Index
NSTAR
Only Company in Any
Industry to
Deliver 14 Consecutive Years of
Positive Total Shareholder Return
Total Shareholder Return Outperforms the Industry

34
Highest Credit Rating in the Industry
NSTAR
A+
FPL Group, Inc.
A
Southern Company
A

Consolidated Edison, Inc.
A-
Dominion Resources, Inc.
A-
DPL Inc.
A-
Duke Energy Corporation
A-
Energy East Corporation
A-
KeySpan Corp.
A-
Niagara Mohawk Power Corporation
A-
Vectren Corporation
A-
ALLETE, Inc.
BBB+
Alliant Energy Corporation
BBB+
Integrys Energy Group, Inc.
BBB+
Kentucky Utilities Company
BBB+
Louisville Gas and Electric Company
BBB+
MDU Resources Group, Inc.
BBB+
MidAmerican Energy Holdings Company
BBB+
OGE Energy Corp.
BBB+
PG&E Corporation
BBB+
Portland General Electric Company
BBB+
Progress Energy, Inc.
BBB+
SCANA Corporation
BBB+
Sempra Energy
BBB+
Wisconsin Energy Corporation
BBB+
Xcel Energy Inc.
BBB+
American Electric Power Company, Inc.
BBB
CenterPoint Energy, Inc.
BBB

Cleco Corporation
BBB
El Paso Electric Company
BBB
Energy Corporation
BBB
Exelon Corporation
BBB
FirstEnergy Corp.
BBB
Great Plains Energy Inc.
BBB
Green Mountain Power Corporation
BBB
Hawaiian Electric Industries, Inc.
BBB
IDACORP, Inc.
BBB
Northeast Utilities
BBB
North Western Corporation
BBB
Pepco Holdings, Inc.
BBB
PPL Corporation
BBB
Public Service Enterprise Group Inc.
BBB
TECO Energy, Inc.
BBB
UIL Holdings Corporation
BBB
Allegheny Energy, Inc.
BBB-
Ameren Corporation
BBB-
Avista Corporation
BBB-
Black Hills Corporation
BBB-
CMS Energy Corporation
BBB-
Constellation Energy Group, Inc.
BBB-
Duquesne Light Company
BBB-
Edison International
BBB-
Empire District Electric Company
BBB-

IPALCO Enterprises, Inc.

BBB-

NiSource Inc.

BBB-

Otter Tail Corporation

BBB-

Pinnacle West Capital Corporation

BBB-

Westar Energy, Inc. Puget Energy, Inc.

BBB-

Puget Energy, Inc.

BB+

NV Energy, Inc.

BB

PNM Resources, Inc.

BB-

Energy Future Holdings Corp.

B-

#1 NSTAR

A+

*As published by EEI

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NSTAR System Has Significant Transmission
Investment Ahead

Transmission Rate Base is expected to double within 5 years
to approximately \$1.6 billion

Growth/reliability spending averages \$100 million per year

Incremental Major Projects

Cape Cod Line
\$120 million
(2011-2012)

South Boston Circuit
\$45-\$50 million
(2014-2015)

Mid Cape Line
\$25-\$30 million
(2013-2014)

Northern Pass
(2012-2015)
\$280 million

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JD Power Customer Surveys Recognize Our Efforts

Company L

Company K

Company J

Company I

Company H

Company G

Company F
Company E
Company D
Company C
NSTAR Electric
Company B
Company A
Company M
East Region Average