Northeast Utilities

NSTAR

Chuck Shivery
Chairman, President, and CEO, Northeast Utilities

Tom May
Chairman, President, and CEO, NSTAR

Safe Harbor

Information Concerning Forward-Looking Statements

In addition to historical information, this presentation 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 and, as 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 respect to the proposed merger, these factors include, but are not limited to: risks and uncertainties relating to the ability to obtain the requisite NSTAR and Northeast Utilities shareholder approvals; 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 the 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 on merger-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, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that will be filed with the SEC in connection with the merger. Additional risks and 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 release speak only as of the date of this release. Neither NSTAR nor Northeast Utilities undertakes any obligation to update its forward-looking statements to reflect events or circumstances after the date of this release.

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Additional Information and Where To Find It

In connection with the proposed merger between Northeast Utilities and NSTAR, Northeast Utilities will file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of Northeast Utilities and NSTAR that also constitutes a prospectus of Northeast Utilities. Northeast Utilities and NSTAR will mail the joint proxy statement/prospectus to their respective shareholders. **Northeast Utilities and NSTAR urge investors and shareholders to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available, as well as other documents filed with the SEC, because they will 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 Northeast 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."

Participants in the Merger Solicitation

Northeast Utilities, NSTAR and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Northeast Utilities and NSTAR shareholders in favor of the merger and related matters. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Northeast Utilities and NSTAR shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Northeast Utilities' executive officers and directors in its definitive proxy statement filed with the SEC on April 1, 2010. You can find information about NSTAR's executive officers and directors in its definitive proxy statement filed with the SEC on March 12, 2010. Additional information about Northeast Utilities' executive officers and directors and NSTAR's executive officers and directors can be found in the above-referenced Registration Statement on Form S-4 when it becomes available. You can obtain free copies of these documents from Northeast Utilities and NSTAR using the website information above.

Agenda

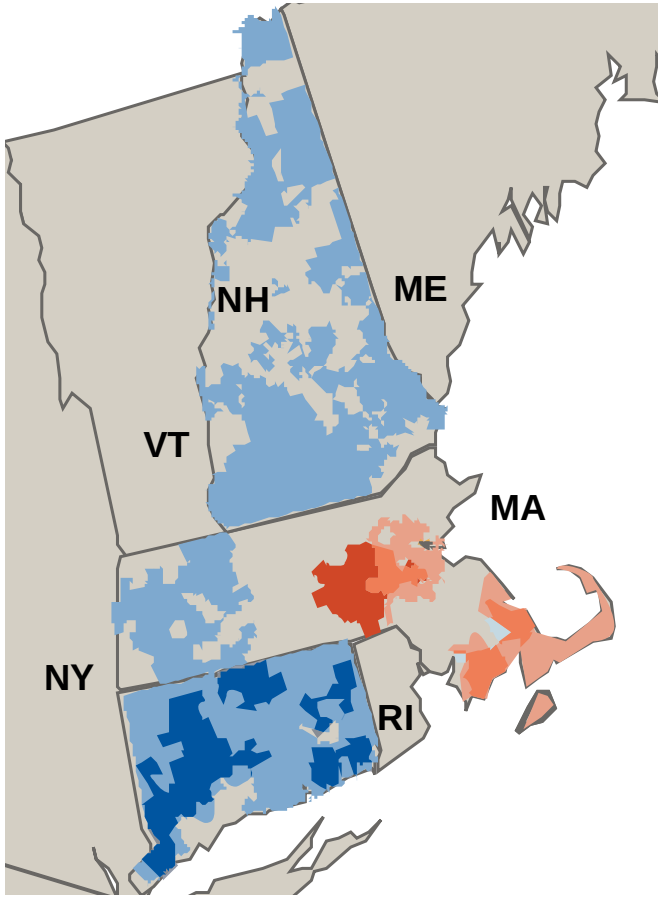
- Merger Rationale / Key Terms
- Financial Highlights
- Regulatory Timeline & Approvals
- Summary

Merger Rationale / Key Terms

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

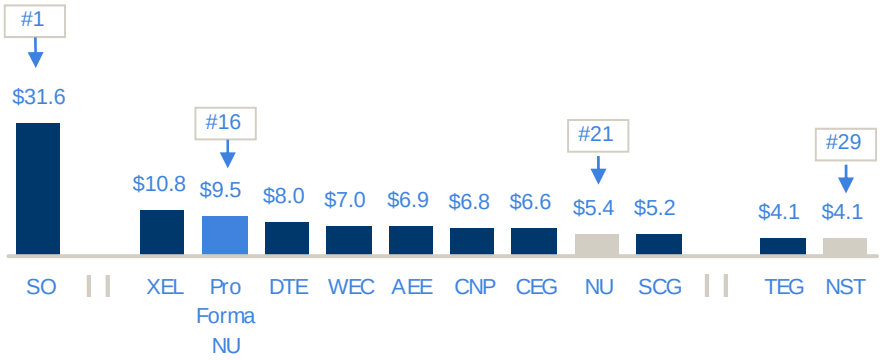
Combined Service Territory



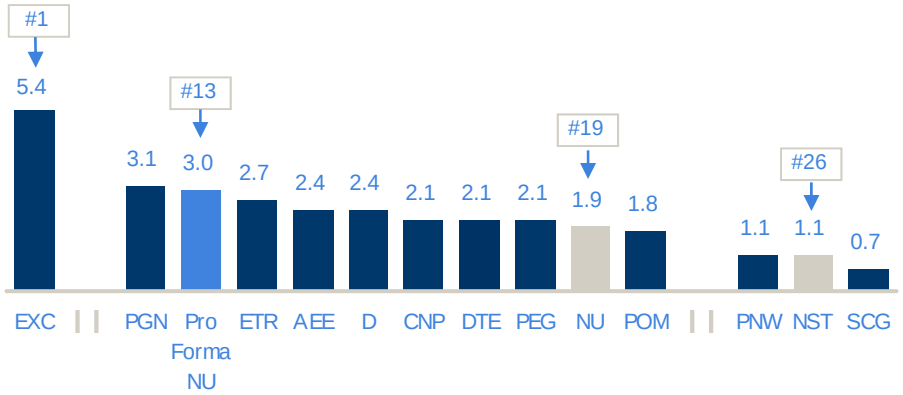
Northeast Utilities Electric Service Area
Northeast Utilities Gas Service Area
NSTAR Electric Service Area
NSTAR Gas Service Area

A New England Based Utility Supporting the Regional Economy

Ranking by Market Capitalization ($ in billions) [1]



Ranking by Electric Customers (in millions) [1]



Combined Statistics

2009 Revenue ($bn)	$8.5
Regulated Utilities	6
Regulated States	3
Electric Customers	3,000,000
Gas Customers	500,000
Electric Transmission (Miles)	4,500
Electric Distribution (Miles)	72,000
Gas Distribution (Miles)	6,300
Generation (MW)	1,200
Total Rate Base ($bn)	$10.8
Employees	9,300

Source: FactSet, company filings.
1. US utility rankings as of 10/15/10, based on companies in the S&P 500 Utilities Index excluding IPPs and Gas LDCs.

Excellent Transmission Opportunities into Largest New England Load Centers

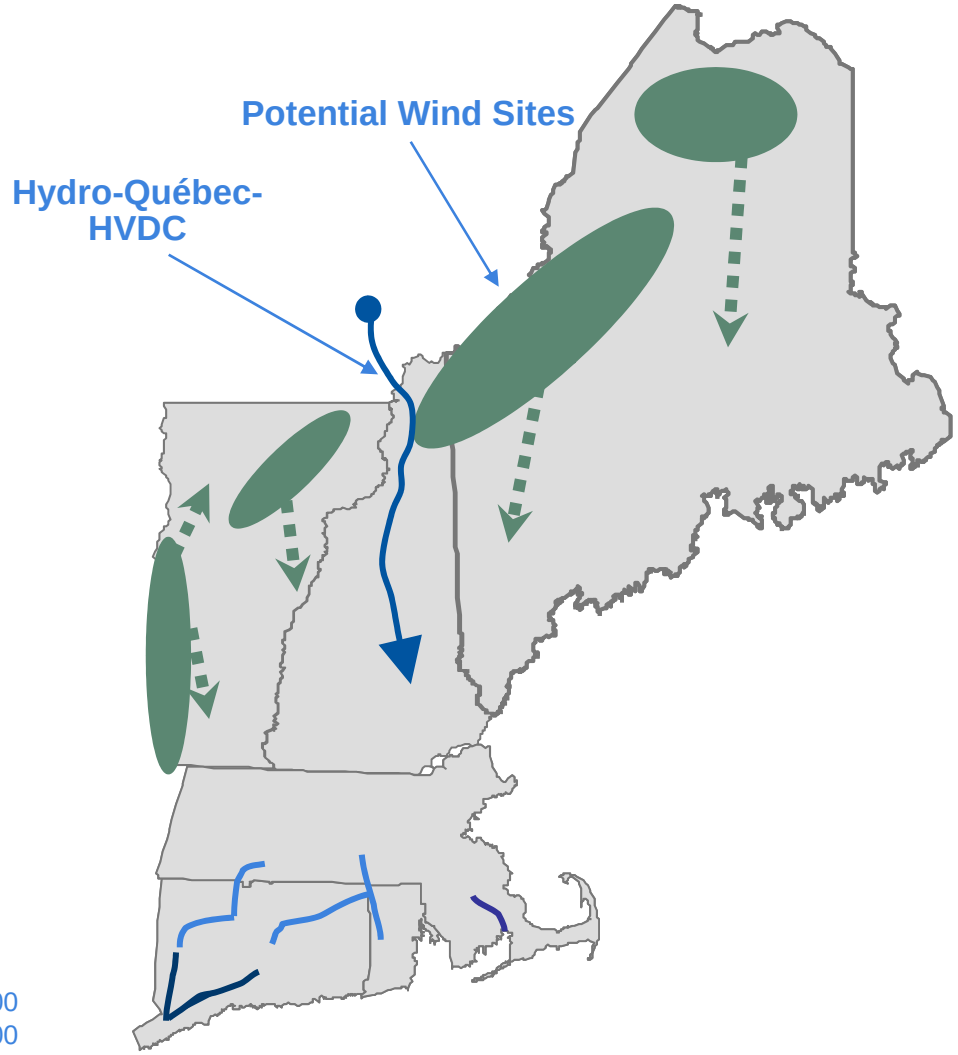
5 Renewables & Clean Energy (ME/NH/VT):
Projects in Development/
High Wind potential areas

4 HVDC Line between Québec and New Hampshire

3 Connecticut Borders (MA, RI):
NEEWS Projects Under Way

2 Southeastern Massachusetts (MA):
Cape Cod Line

1 Southwest Connecticut Reliability:
Projects Complete



Load Center Populations [1]	
Greater Boston:	4,600,000
Hartford:	1,200,000
Fairfield County:	900,000

1. *Source: IHS Global Insight Winter 2009 – 2010, US Markets: State Economies, U.S. Census Bureau 2009 estimates.*

Key Merger Terms

Balanced Terms and Governance

Timing / Approvals:	➢ Expected to close within 9 – 12 months ➢ Shareholders, federal, and state
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

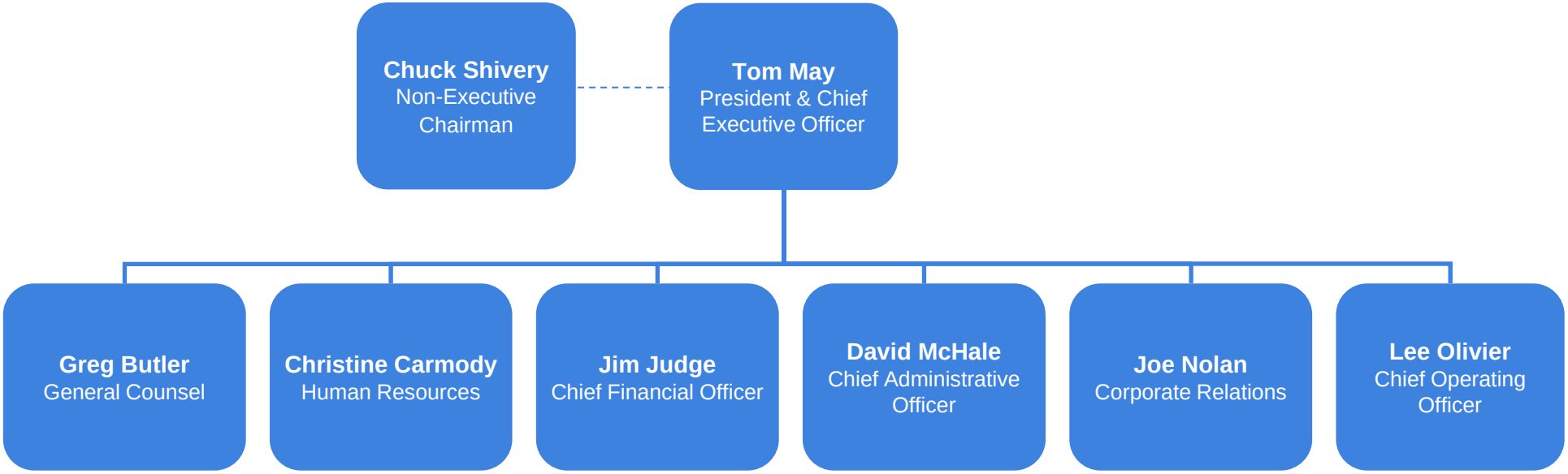
Northeast Utilities Merger Rationale

- Creates immediate value upon close
  - Elimination of previously planned 2012 equity issuance
  - Dividend uplift of ~20% based on Northeast Utilities' current dividend
  - Enhanced pro forma credit profile
- Scale and financial capabilities to enable future larger scale projects to deliver renewable generation into the largest load centers in New England
- Paired with best-in-class utility distribution operator
- Merger diversifies and enhances Northeast Utilities' earnings stream over the long term

NSTAR Merger Rationale

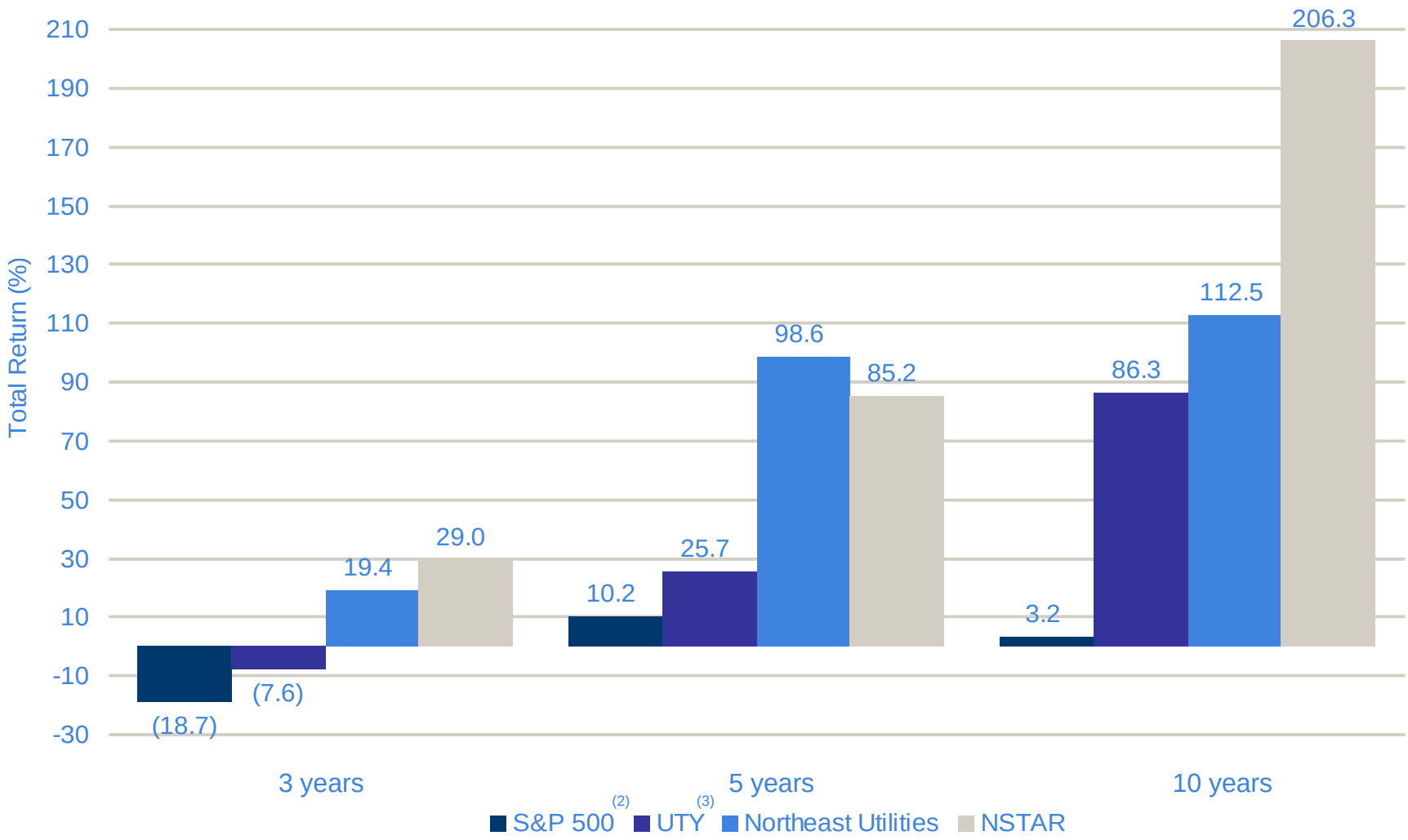
- Opportunity to enhance earnings and dividend growth by applying the Company's strong balance sheet and cash flow to attractive investment opportunities
  - Substantial transmission investment provides enhanced returns and an attractive regulatory construct
- Merger diversifies NSTAR's earnings stream over the long term
- Larger utility footprint provides NSTAR shareholders with access to projects and opportunities not available today
- Pro forma balance sheet remains strong

Executive Management Organization



Financial Highlights

Proven Record of Delivering Superior Value [1]

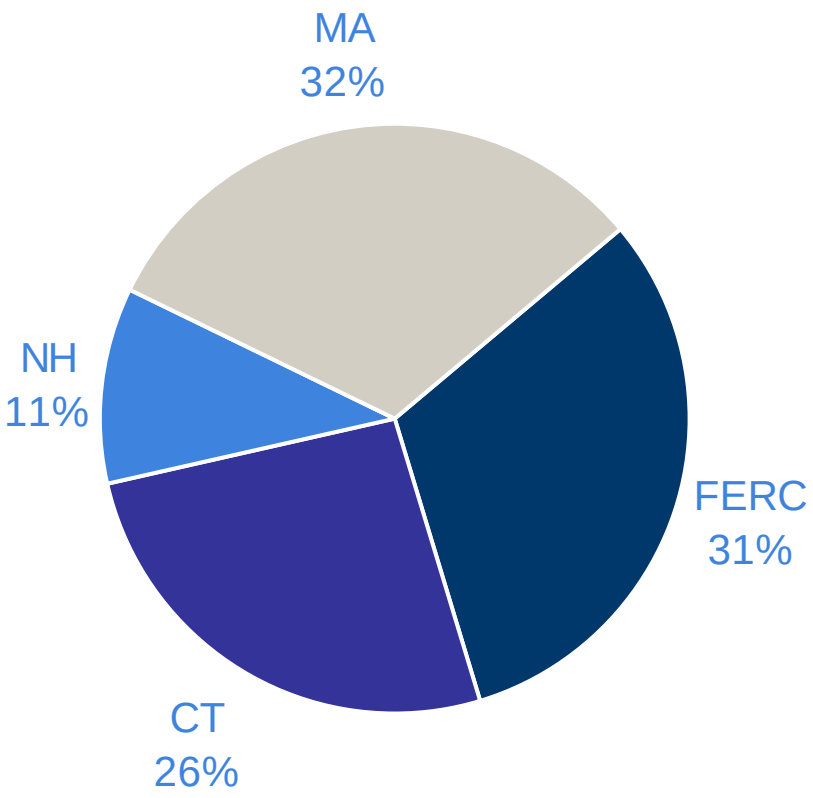


Source: Factset.

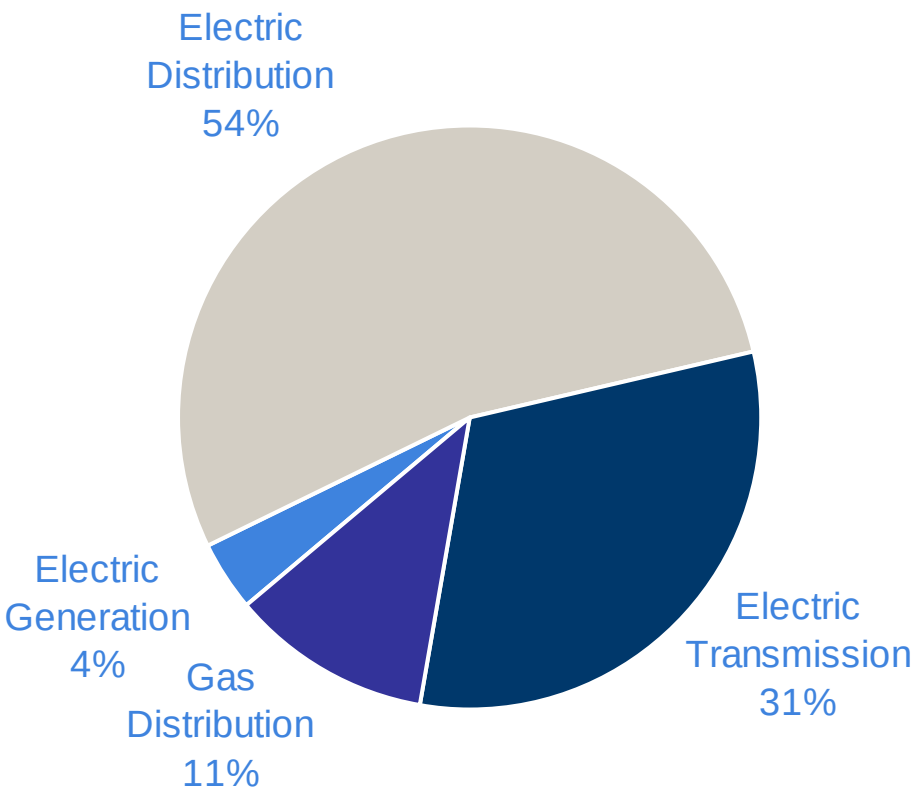
1. *Total returns as of 10/15/10. Assumes reinvestment of dividends.*
2. *Total returns calculated based on S&P 500 market index, which is weighted by market capitalization.*
3. *Total returns calculated as simple average of the returns of the components of the UTY, as of 10/15/10.*

Building A Larger, More Diverse and Better Positioned Regulated Utility Business

Rate Base By State / Federal



Rate Base By Business



Combined 2009 Rate Base: $10.8 billion

Pro Forma Earnings Profile

- Accretive to earnings of both Northeast Utilities and NSTAR in first full year and in the longer term
  - Accretion supported by financial benefits and efficiencies of combined company
  - Further supportive of targeted long term 6% – 9% earnings growth rate
- Rule of thumb - every $10 million of pre-tax transaction benefits improves pro forma earnings accretion by ~1% or ~2¢ per share (based on approximately 315 million pro forma shares outstanding)

Common Stock Dividends

- Both companies to continue existing dividend policy through closing
- Pro forma dividend policy expected to retain focus on growing the dividend in-line with earnings
- Northeast Utilities to increase dividend to provide parity with NSTAR dividend upon closing

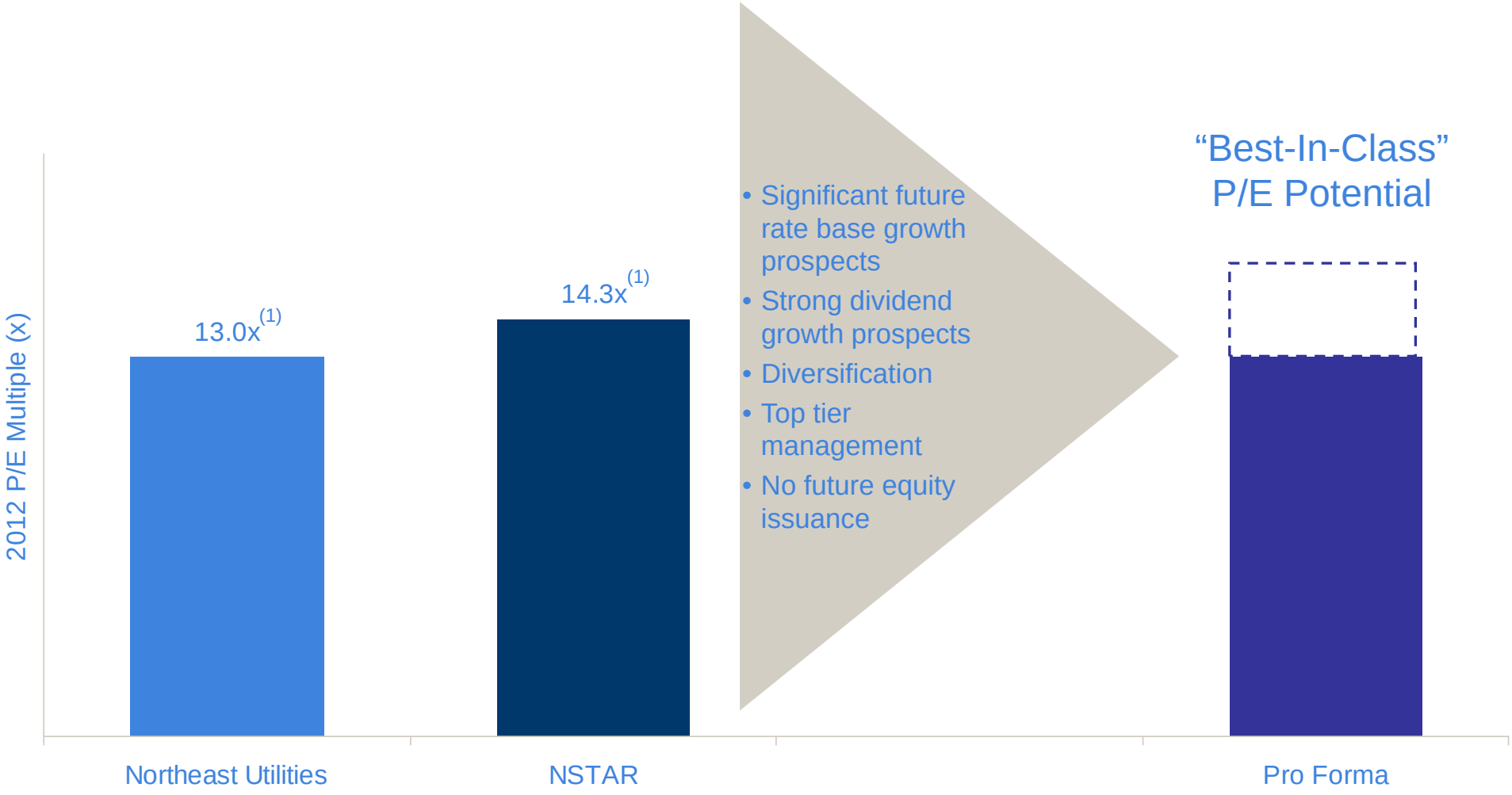
Note: Dividends are payable at the discretion of the Board of Trustees.

Dividend Parity – Illustrative Example

Example calculation of dividend parity based on current annual dividends per share

	Per Share
NSTAR current dividend	$1.60
÷ Exchange ratio	1.312x
Implied Northeast Utilities exchange ratio adjusted dividend	$1.22
Current Northeast Utilities dividend	$1.025
Northeast Utilities dividend uplift for parity	$0.195 or ~20.0%

Value Uplift Potential



1. *Based on I/B/E/S consensus EPS estimates as of 10/15/10.*

Enhanced Credit Quality

- Strong balance sheet and cash flows position NU to fund rate base growth program principally through internally generated funds
- Combined company and operating subsidiaries will have an enhanced credit profile
  - Highest quality business profile
  - Highly diversified earnings and cash flow
  - 100% stock transaction – no new debt issued for merger
  - No long-term debt triggers from change-of-control

Regulatory Timeline and Next Steps

Regulatory Timeline

Closing Expected in 9 – 12 months

Oct 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Merger Announced	Make Regulatory Filings	Secure Regulatory Approvals FERC, SEC, NRC, DOJ, MDPU		
	File Joint Proxy Statement	Northeast Utilities and NSTAR Shareholder Meetings		
	Develop Transition Implementation Plans			
				Receive Regulatory Approvals
				Close Merger

Summary

Summary

- Creates New England's premier energy provider
- More diverse, stable and higher earnings growth profile than could be achieved standalone
- Highly experienced management teams with proven track records of success
- Combined company will have one of the most attractive total return profiles in the industry