



Wall Street's view of Northeast Utilities

Northeast Utilities Hits 52-Week High on Stable Cash Flow



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- On Dec 9, 2014, shares of *Northeast Utilities* ([NU](#)) touched a 52-week high of \$52.34 and finally closed at \$52.24, up around 0.6% from the previous day's closing.

A steady cash generating capacity, systematic investments in infrastructure projects and focus on renewable ventures have collectively helped Northeast Utilities to attain the 52-week high mark. The company's record of regular dividend payments is also commendable. These positives will likely boost the company's performance.

Northeast Utilities efficiently improves cash inflow through operating activities. In the first nine months of 2014, the company's operating cash flow increased 19.3% year over year to around \$1.4 billion. The company's cash flow from operating activities stood at \$1.66 billion at 2013-end, up 43.3% from the prior-year figure. A stable cash inflow enables the company to follow its capital spending program.

Northeast Utilities continues to focus on providing reliable services to its customers through the expansion of utility transmission and distribution systems. In the first nine months of 2014, the company invested around \$1.1 billion under its capital expenditure program.

Northeast Utilities is currently constructing the New England East-West Solution, the Interstate Reliability Project and the Greater Hartford Central Connecticut Reliability Project.

The company also plans to strengthen its natural gas supply services in New England states. Northeast Utilities and Spectra Energy Corp. ([SE](#)) have inked a joint venture for the Access Northeast Project, the New England energy reliability solution, which aims to provide reliable natural gas services to customers and power generation plants in the New England region.

Scheduled completion of these ventures will enable Northeast Utilities to serve more customers and increase its service reliability.

Northeast Utilities is also expanding its renewable asset base. The company plans to build Northern Pass, a high-voltage, direct-current transmission line project. Once

completed, the company will be able to transport 1,200-megawatt low-carbon, mainly hydro-electric power, from Canada to New England's energy load centers. The company's solar site in Massachusetts, at its unit Western Massachusetts Electric Company, has already started operating commercially.

In addition, Northeast Utilities is dedicated on maximizing shareholder wealth through regular payment of dividends. During the first nine months of 2014, the company paid around \$0.36 billion as dividend.

Northeast Utilities currently has a Zacks Rank #3 (Hold). Some better-ranked stocks in the same industry include Black Hills Corporation ([BKH](#)) and PG&E Corporation ([PCG](#)), each carrying a Zacks Rank #1 (Strong Buy).