

## SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation paid or earned by each of the Named Executive Officers for the fiscal years ended December 31, 2009, 2008 and 2007. The Company has not entered into any employment agreements with any of the Named Executive Officers. Amounts listed under column “Non-Equity Incentive Plan Compensation” were determined by the Committee at its January 25, 2010 meeting (subject to approval by the Board of Trustees with regard to Mr. May) and, to the extent not deferred by the executive, were paid out on January 28, 2010.

Name and Principal Position	Year	Salary	Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings (3)	All Other Compensation (4)	Total
Thomas J. May— Chairman, President and Chief Executive Officer	2009	\$ 1,021,667	\$ 2,443,320	\$ 578,760	\$ 1,800,000	\$ 1,464,204	\$ 88,014	\$ 7,395,965
	2008	\$ 983,000	\$ 1,954,500	\$ 564,000	\$ 1,700,000	\$ 32,299	\$ 87,025	\$ 5,320,824
	2007	\$ 949,333	\$ 1,918,280	\$ 890,940	\$ 1,500,000	\$ 391,823	\$ 83,228	\$ 5,733,604
James J. Judge— Senior Vice President and Chief Financial Officer	2009	\$ 451,667	\$ 525,993	\$ 134,680	\$ 550,000	\$ 775,669	\$ 21,238	\$ 2,459,247
	2008	\$ 426,667	\$ 488,625	\$ 112,800	\$ 500,000	\$ 324,933	\$ 20,828	\$ 1,873,853
	2007	\$ 402,333	\$ 442,680	\$ 191,600	\$ 450,000	\$ 231,926	\$ 20,622	\$ 1,739,161
Douglas S. Horan— Senior Vice President, Strategy, Law & Policy, Secretary and General Counsel	2009	\$ 424,500	\$ 495,451	\$ 134,680	\$ 510,000	\$ 835,076	\$ 25,937	\$ 2,425,644
	2008	\$ 408,167	\$ 423,475	\$ 112,800	\$ 475,000	\$ 402,868	\$ 25,240	\$ 1,847,550
	2007	\$ 392,500	\$ 405,790	\$ 172,440	\$ 440,000	\$ 317,875	\$ 24,558	\$ 1,753,163
Werner J. Schweiger— Senior Vice President— Operations	2009	\$ 422,333	\$ 495,451	\$ 134,680	\$ 510,000	\$ 293,698	\$ 19,302	\$ 1,875,464
	2008	\$ 401,333	\$ 423,475	\$ 112,800	\$ 475,000	\$ 155,074	\$ 18,662	\$ 1,586,344
	2007	\$ 384,167	\$ 405,790	\$ 172,440	\$ 420,000	\$ 138,517	\$ 18,603	\$ 1,539,517
Joseph R. Nolan, Jr.— Senior Vice President— Customer & Corporate Relations	2009	\$ 318,833	\$ 271,480	\$ 58,240	\$ 290,000	\$ 125,537	\$ 21,456	\$ 1,085,546
	2008	\$ 306,500	\$ 228,025	\$ 56,400	\$ 280,000	\$ 81,449	\$ 20,929	\$ 973,303
	2007	\$ 293,500	\$ 221,340	\$ 95,800	\$ 260,000	\$ 35,458	\$ 20,662	\$ 926,760

- (1) Reflects the aggregate grant date fair value of Deferred Common Shares and Performance Share Units granted January 22, 2009 and January 24, 2008 and of Deferred Common Shares granted May 3, 2007 in accordance with FASB ASC Topic 718. These amounts are based on the probable vesting value at grant date. Assuming the highest level of performance, the maximum value of Performance Share Units granted in 2009 would be \$1,627,920 for Mr. May; \$350,455 for Mr. Judge; \$330,106 for Mr. Horan; \$330,106 for Mr. Schweiger; and \$180,880 for Mr. Nolan. Assuming the highest level of performance, the maximum value of Performance Share Units granted in 2008 would be \$1,307,700 for Mr. May; \$326,925 for Mr. Judge; \$283,335 for Mr. Horan; \$283,335 for Mr. Schweiger; and \$152,565 for Mr. Nolan. There were no Performance Share Units granted in 2007.
- (2) Reflects the aggregate grant date fair value of Options granted January 22, 2009, January 24, 2008 and May 3, 2007 in accordance with FASB ASC Topic 718.
- (3) Reflects the actuarial increase in the present value of the Named Executive Officer’s benefits under all pension plans established by the Company determined using the discount rate and mortality rate assumptions used by the Company for financial statement purposes. In 2009 the discount rate declined from 6.25% to 5.85%. There were no above-market earnings in deferred compensation value during 2009, 2008 or 2007, as the terms of the Deferred Compensation Plan provide for market-based investments, including Company Common Shares.
- (4) The amounts in this column include matching 401(k) savings plan contributions in 2009, 2008 and 2007 for each of the Named Executive Officers in the amount of \$9,800, \$9,200 and \$9,000 respectively. Perquisites include a financial planning and health services plan, amounts paid by the Company for Company-leased vehicles and home security systems and tickets to sporting events. The imputed income and tax gross up amount for a life insurance benefit granted in 2005 to Mr. May for 2009, 2008 and 2007 is \$55,324, \$53,573 and \$52,131, respectively. Perquisites are valued based upon incremental, direct cost to the Company.

## GRANTS OF PLAN-BASED AWARDS

Annual cash incentive awards are made under the Company’s Annual Incentive Plan. The deferred share, performance share and option awards granted to the Named Executive Officers in 2009 were granted under the NSTAR 2007 Long Term Incentive Plan. The deferred share and stock option awards are time-vested at the rate of 33 1/3% per year over a three-year period from the date of the grant.

Performance share units will vest only if certain performance targets are achieved at the end of the three-year performance period. Dividend equivalent awards accompany the awards of deferred shares and performance share units and are based upon the Company's prevailing dividend rate. No dividend equivalents apply to the option awards upon vesting. Vested options may be exercised over a ten-year period from the grant date.

Name	Grant Date	Estimated Possible Payouts Under Non-equity (Cash) Incentive Plan			Estimated Possible Payouts Under Equity Incentive Plan (1)			All Other Stock Awards: # of Shares	All Other Option Awards: # of Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (2)
		Thres-Hold (\$)	Target (\$)	Maximum (\$)	Thres-Hold (#)	Target (#)	Maximum (#)				
Thomas J. May	01-22-09							36,000	159,000	\$34.02	\$1,224,720
	01-22-09										\$ 578,760
	01-22-09	\$0	\$1,035,000	\$2,070,000	3,600	36,000	61,200				\$1,218,600
James J. Judge	01-22-09							7,750	37,000	\$34.02	\$ 263,655
	01-22-09										\$ 134,680
	01-22-09	\$0	\$ 276,000	\$ 920,000	775	7,750	13,175				\$ 262,338
Douglas S. Horan	01-22-09							7,300	37,000	\$34.02	\$ 248,346
	01-22-09										\$ 134,680
	01-22-09	\$0	\$ 258,000	\$ 860,000	730	7,300	12,410				\$ 247,105
Werner J. Schweiger	01-22-09							7,300	37,000	\$34.02	\$ 248,346
	01-22-09										\$ 134,680
	01-22-09	\$0	\$ 258,000	\$ 860,000	730	7,300	12,410				\$ 247,105
Joseph R. Nolan, Jr.	01-22-09							4,000	16,000	\$34.02	\$ 136,080
	01-22-09										\$ 58,240
	01-22-09	\$0	\$ 145,350	\$ 646,000	400	4,000	6,800				\$ 135,400

- (1) In 2009 the Named Executive Officers were awarded performance shares as part of their long term incentive plan awards. The performance period runs from January 1, 2009 through December 31, 2011. Performance awards will be earned based on meeting pre-set targets involving the Company's EPS growth and the Company's TSR percentile ranking relative to companies within the Edison Electric Institute Index. Earned awards will be paid with NSTAR Common Shares in early 2012.
- (2) The stock options granted January 22, 2009 had a grant date fair value of \$3.64 per option. In accordance with the requirements of FASB ASC Topic 718, the fair value was estimated using the Black-Scholes option pricing model. Assumptions used for the model are as follows: expected life (years), 6.0; risk-free interest rate, 1.89%; volatility, 20.0%; dividends, 4.43%. Deferred shares were granted at full market closing price of NSTAR's Common Shares on date of grant of \$34.02. The fair value of the performance share units was \$33.85 for the targeted performance level using a binomial option-pricing model.

**OUTSTANDING EQUITY AWARDS AT YEAR-END**

The following represents deferred share and option awards under the NSTAR 1997 Share Incentive Plan and the NSTAR 2007 Long Term Incentive Plan. The market value of unvested stock awards was based on the Company's year-end 2009 closing share price of \$36.80. Vested options may be exercised over a ten-year period from date of grant.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options- Exercisable (#)	Number of Securities Underlying Unexercised Options- Unexercisable (1)(#)	Option Exercise Price(\$)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (2)(#)	Market Value of Shares of Stock That Have Not Vested(\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (3)(#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(\$)
Thomas J. May	200,000		\$ 21.600	04-30-2013				
	200,000		\$ 24.205	04-28-2014				
	200,000		\$ 29.600	06-09-2015				
	200,000		\$ 27.730	04-27-2016				
	124,000	62,000	\$ 36.890	05-03-2017				
	50,000	100,000	\$ 32.450	01-24-2018				
	159,000	\$ 34.020	01-22-2019	73,333	\$ 2,698,654	87,000	\$ 3,201,600	
James J. Judge	35,000		\$ 24.205	04-28-2014				
	60,000		\$ 29.600	06-09-2015				
	50,000		\$ 27.730	04-27-2016				
	26,667	13,333	\$ 36.890	05-03-2017				
	10,000	20,000	\$ 32.450	01-24-2018				
		37,000	\$ 34.020	01-22-2019	16,750	\$ 616,400	20,500	\$ 754,400
	20,000		\$ 29.600	06-09-2015				

Douglas S. Horan	16,000		\$ 27,730	04-27-2016				
	24,000	12,000	\$ 36,890	05-03-2017				
	10,000	20,000	\$ 32,450	01-24-2018				
		37,000	\$ 34,020	01-22-2019	15,300	\$ 563,040	18,350	\$ 675,280
Werner J. Schweiger	30,000		\$ 22,665	04-24-2012				
	35,000		\$ 21,600	04-30-2013				
	70,000		\$ 24,205	04-28-2014				
	60,000		\$ 29,600	06-09-2015				
	48,000		\$ 27,730	04-27-2016				
	24,000	12,000	\$ 36,890	05-03-2017				
	10,000	20,000	\$ 32,450	01-24-2018				
		37,000	\$ 34,020	01-22-2019	15,300	\$ 563,040	18,350	\$ 675,280
Joseph R. Nolan, Jr.	13,333	6,667	\$ 36,890	05-03-2017				
		10,000	\$ 32,450	01-24-2018				
		16,000	\$ 34,020	01-22-2019	8,333	\$ 306,654	9,950	\$ 366,160

- Unexercisable options will vest as follows: for Mr. May, 165,000 between 1/22/10 and 5/03/10, 103,000 between 1/22/11 and 1/24/11 and 53,000 on 1/22/12; for Mr. Judge, 35,667 between 1/22/10 and 5/03/10, 22,333 between 1/22/11 and 1/24/11 and 12,333 on 1/22/12; for Mr. Horan, 34,333 between 1/22/10 and 5/03/10, 22,333 between 1/22/11 and 1/24/11 and 12,334 on 1/22/12; for Mr. Schweiger, 34,333 between 1/22/10 and 5/03/10, 22,333 between 1/22/11 and 1/24/11 and 12,334 on 1/22/12; and for Mr. Nolan, 17,000 between 1/22/10 and 5/03/10, 10,333 between 1/22/11 and 1/24/11 and 5,334 on 1/22/12.
- Shares will vest as follows: for Mr. May, 39,333 between 1/22/10 and 5/03/10, 22,000 between 1/22/11 and 1/24/11 and 12,000 on 1/22/12; for Mr. Judge, 9,083 between 1/22/10 and 5/03/10, 5,083 between 1/22/11 and 1/24/11 and 2,584 on 1/22/12; for Mr. Horan, 8,267 between 1/22/10 and 5/03/10, 4,600 between 1/22/11 and 1/24/11 and 2,433 on 1/22/12; for Mr. Schweiger, 8,267 between 1/22/10 and 5/03/10, 4,600 between 1/22/11 and 1/24/11 and 2,433 on 1/22/12; and for Mr. Nolan, 4,500 between 1/22/10 and 5/03/10, 2,500 between 1/22/11 and 1/24/11 and 1,333 on 1/22/12.
- The amount shown includes the unvested portion of performance share awards with respect to the three-year performance periods ending December 31, 2010 and December 31, 2011. Performance share units relate to awards made in January 2008 and 2009 as follows: for Mr. May, 51,000 and 36,000 units; for Mr. Judge, 12,750 and 7,750 units; for Mr. Horan, 11,050 and 7,300 units; for Mr. Schweiger, 11,050 and 7,300 units; and for Mr. Nolan, 5,950 and 4,000 units, respectively. The awards reflect the maximum number of performance shares for awards made in 2008, and the target number for awards made in 2009 based on actual results through the years completed. The actual number and value of vested shares awarded at the conclusion of the performance periods could be different from the unvested amounts disclosed here.

### OPTION EXERCISES AND STOCK VESTED

In 2009, one-third of deferred shares granted under the NSTAR 1997 Share Incentive Plan and the 2007 NSTAR Long Term Incentive Plan in each of 2006, 2007 and 2008 vested. The number of deferred shares and value below include dividend equivalents which are added when vested.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (1) (2) (\$)
Thomas J. May	-	-	251,388	\$ 7,843,005
James J. Judge	-	-	12,978	\$ 405,551
Douglas S. Horan	-	-	11,891	\$ 371,288
Werner J. Schweiger	20,000	\$ 248,800	11,891	\$ 371,288
Joseph R. Nolan, Jr.	16,667	\$ 114,236	6,241	\$ 194,190

- Messrs. Judge and Horan deferred 80% of their vested stock awards and Mr. Schweiger deferred 100% of his vested stock awards in accordance with the Company's Non-Qualified Deferred Compensation Plan.
- As to Mr. May, this amount includes a one-time deferred share retention award granted in 2005. This award vested in its entirety in April, 2009.

### PENSION BENEFITS

**Tax-Qualified Pension Plan.** NSTAR maintains a tax-qualified defined benefit plan (the "Pension Plan") for substantially all employees of the Company, including the Named Executive Officers. Under the Pension Plan, benefits are based on the following factors:

- Participants receive a benefit based upon a percentage of the participant's final average compensation, subject to a \$245,000 statutory limitation (as indexed) on eligible compensation.
- The percentage of final average compensation is determined by totaling the participant's "annual benefit credits" up to a maximum of 325% (525% for employees hired before August 18, 1999).
- Annual benefit credits range from 5% for years of service under age 25 to 15% for years of service on and after attaining age 55. Additional annual benefit credits apply for employees hired before August 18, 1999.
- Final average compensation is the average of any three years of annual qualified compensation within the participant's last ten years of employment that produces the highest average pay. Annual qualified compensation includes each participant's base pay, lump sum merit increases and certain cash incentive awards.
- The normal retirement age is 65. The Pension Plan has a three-year vesting provision.
- Benefits are payable following termination of employment either as a lump sum or in one of several annuity options.

**Excess Benefit Plan.** For employees whose eligible compensation exceeds the \$245,000 statutory limitation set forth above, including the Named Executive Officers, we maintain a non-qualified excess benefit plan (the "Excess Benefit Plan"). The Excess Benefit Plan is designed to provide the benefits that would be payable under the Pension Plan but for the statutory limitations imposed by the Internal Revenue Code. Amounts payable under the Excess Benefit Plan are generally available in the same form as the participant's benefits under the Pension Plan. In addition, amounts payable under the Excess Benefit Plan are offset by amounts payable under the Pension Plan.