Exhibit 1

ORIGINAL
N.H.P.U.C. Case No. DE 10-122
Exhibit No. #1
Witness Susan B Weber
DO NOT REMOVE FROM FILE

STATE OF NEW HAMPSHIRE
before the
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 10-___

PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE FOR APPROVAL OF (1) THE ISSUANCE OF UP TO $600 MILLION AGGREGATE PRINCIPAL AMOUNT OF LONG TERM DEBT SECURITIES THROUGH DECEMBER 31, 2012; (2) THE MORTGAGING OF PROPERTY; (3) THE EXECUTION OF INTEREST RATE TRANSACTIONS; (4) APPROVAL OF LONG TERM BORROWING PURSUANT TO AN UNSECURED REVOLVING CREDIT AGREEMENT; AND (5) EXTENSION OF THE COMPANY'S CURRENT SHORT TERM DEBT LIMIT OF 10% OF NET FIXED PLANT PLUS A FIXED AMOUNT OF $60 MILLION

Public Service Company of New Hampshire ("PSNH" or the "Company"), a public utility corporation duly organized and existing under the laws of the State of New Hampshire and engaged in the generation, transmission and sale of electric energy within the State of New Hampshire, with its principal place of business at 780 North Commercial Street, Manchester, New Hampshire, respectfully represents that it proposes to (i) issue up to $600 million aggregate principal amount of long term debt securities (the "Long-term Debt") through December 31, 2012 (the "Financing Period"); (ii) mortgage substantially all of its property under its First Mortgage Indenture; (iii) potentially execute interest rate transactions in connection with such financing(s); (iv) enter into long term borrowings pursuant to an unsecured Revolving Credit Agreement; and (v) extend the Commission approved short term debt limit of ten percent (10%) of net fixed plant plus a fixed amount of $60 million until further order of the Commission. Certain aspects of the proposed financing activities require the Company to obtain approval from the Commission.

Accordingly, the Company petitions as follows:

1. In accordance with Rule Puc 308.12(b)(2)b and c a description of PSNH's authorized and outstanding long term debt, capital stock and short term debt is attached hereto as Attachment 1.

2. As of March 31, 2010, PSNH had outstanding approximately $16.2 million of short term debt, which was incurred to fund working capital requirements and capital expenditures. Short term debt has been incurred to finance the recent storm recovery as well as generation, distribution

and transmission system expenditures. The Company's current short term debt limit authorized by the Commission is ten percent (10%) of net fixed plant plus $60 million, or approximately $214 million as of March 31, 2010.

3. PSNH requests authority to issue up to $600 million of Long-term Debt during the Financing Period. The exact amount of Long-term Debt issued will depend on Company expenditures, cash generation, cost and availability of short term debt and current and anticipated market conditions. PSNH will use the proceeds from the issuance of Long-term Debt to refinance its short term debt, fund working capital and capital expenditures, and to pay for issuance costs.

4. To provide the Company with financing flexibility, PSNH seeks authority to issue and sell up to $600 million in aggregate principal amount of Long-term Debt in one or more series with a maturity ranging from one to forty years. This Long-term Debt may be in the form of first mortgage bonds, debt secured by first mortgage bonds, or unsecured notes, and may carry either a fixed or floating interest rate; and may be sold to either retail or institutional investors in either the public or private markets. The Long-term Debt may also be issued to PSNH's parent, Northeast Utilities or issued under a new, unsecured Revolving Credit Agreement.

5. The exact financing structure, terms and conditions, amount, documentation and coupon rate of the Long-term Debt will be determined at the time of issuance depending on market conditions. The coupon will be consistent with market rates for an instrument of similar maturity and risk, but the credit spread above the then applicable fixed or floating interest rate index will not exceed 400 basis points (4.00%).

6. If the Long-term Debt is secured by first mortgage bonds, new first mortgage bonds, identical or substantially similar in principal, premium, if any, and interest payment terms to the Long-term Debt would be issued by PSNH under its First Mortgage Indenture to evidence and secure certain of the Company's repayment obligations related to the Long-term Debt. Likewise if the Long-term Debt is in the form of mortgage bonds, such bonds will be first mortgage bonds issued under the Company's First Mortgage Indenture.

7. Additionally, the Company seeks authority to extend its currently authorized short term debt limit of 10% of net fixed plant limit plus an additional fixed amount of $60 million until further order of the Commission.

8. The Company also seeks authority to enter into interest rate transactions in notional amount not exceeding the total principal amount of the Long-term Debt to be issued to mitigate interest rate risk.

9. In accordance with Rule Puc 308.12(c)(2), the estimated cost of financing for a $600 million issuance is included as Attachment 2.

10. In accordance with Rule Puc 308.12(c)(3) PSNH's Pro Forma Consolidated Balance Sheet as of December 31, 2009 is included as Attachment 3.

11. In accordance with Rule Puc 308.12(c)(4) PSNH's Pro Forma Consolidated Statement of Income for the twelve months ended December 31, 2009 is included as Attachment 4.

12. In accordance with Rule Puc 308.12(c)(5) PSNH's Sources and Application of Funds and Capitalization is included as Attachment 5.

13. In accordance with Rule Puc 308.12(c)(6), draft PSNH Board Resolutions are included as Attachment 6.

14. PSNH's amended and restated First Mortgage Indenture, which is on file with the Commission, is referenced as Attachment 7. In accordance with Rule Puc 308.12(b)(8), a draft Supplemental Mortgage Indenture is included as Attachment 8. Additional First Mortgage Bonds would be issued under a substantially similar Supplemental Mortgage Indenture or, if applicable, a Supplemental Mortgage Indenture consistent with the requirements of the amended and restated First Mortgage Indenture approved by the Commission in DE 07-070.

15. Also in accordance with Rule Puc 308.12(b)(8), the form of promissory note for long term borrowings from Northeast Utilities is included as Attachment 9.

16. Also in accordance with Rule Puc 308.12(b)(8), a copy of the principle terms and conditions of the current unsecured Revolving Credit Agreement is included as Attachment 10. As noted in PSNH's accompanying Motion for Rule Waiver, the principle terms and conditions of the new unsecured Revolving Credit Agreement are anticipated to be substantially similar to the terms and conditions of the existing agreement and will be filed promptly when available.

17. The Northeast Utilities System Interest Rate Risk Management Policies and Procedures dated May 2009 is included as Attachment 11.

18. The testimony of Susan B. Weber in support of the Petition is also included.

By this Petition, PSNH seeks the following authorizations by the Commission:

(A) Pursuant to RSA 369:1, 3 and 4, authority to arrange for the issuance and sale of not more than $600 million in principal amount of secured or unsecured Long-term Debt of one or more types, in more or more issuances, through December 31, 2012 and to take all actions necessary to consummate such financings, including but not limited to the issuance of a like principal amount of first mortgage bonds in one or more series to secure the repayment of Long Term Debt.

(B) Pursuant to RSA 369:2, authority to mortgage its property in connection with the issuance of the Long-term Debt and the issuance of one or more series of first mortgage bonds in the manner described herein.

(C) Pursuant to RSA 392:1, 3 and 4, to enter into interest rate transactions in a notional amount not exceeding the total principal amount of the Long-term Debt to be issued to mitigate interest rate risk.

(D) Pursuant to RSA 1, 3 and 4, authority to issue Long-term Debt pursuant to the terms and conditions of a new unsecured Revolving Credit Agreement.

(E) Pursuant to RSA 369:7 authority to extend the Company's current short term debt limit to 10% of net fixed plant plus a fixed amount of $60 million until further Order of the Commission.

PSNH believes and therefore alleges that the securities to be issued and the other transactions contemplated by and described in this Petition will be consistent with the public good and that it is entitled to issue said securities and consummate such transactions under RSA Chapter 369 for the purposes set forth in this Petition and described herein.

WHEREFORE, PSNH prays that this Commission:

(1) Issue an Order of Notice as soon as practicable which establishes a procedural schedule, including a date for hearing with respect to this Petition, which would enable the Commission to hold a hearing and issue its initial decision on or before September 30, 2010;

(2) Find that the transactions described in this Petition above are consistent with the public good and are authorized and approved under the provisions of RSA Chapter 369; and

(3) Take such further action and make such other findings and orders as in its judgment may be just, reasonable and in the public good.

Respectfully submitted,
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

May 3, 2010 BY: Catherine E. Shively

Catherine E. Shively, Its Attorney

STATE OF NEW HAMPSHIRE
before the
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 10-_____

Petition of Public Service Company of New Hampshire for Approval of (1) the Issuance of up to $600 Million Aggregate Principal Amount of Long Term Debt Securities Through December 31, 2012; (2) the Mortgaging of Property; (3) the Execution of Interest Rate Transactions; (4) Long Term Borrowing Pursuant to an Unsecured Revolving Credit Agreement; and (5) Extension of the Company's Current Short Term Debt Limit of 10% of Net Fixed Plant Plus a Fixed Amount of $60 Million

MOTION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE FOR EXTENSION OF TIME TO FILE CERTAIN RULE PUC 308.11(b) INFORMATION

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE ("PSNH") hereby requests, pursuant to Puc 201.05, that the New Hampshire Public Utilities Commission ("NHPUC" or the "Commission") grant and extension of time for the filing of the information required by Rule Puc 308.11(b)(2) with respect to the new unsecured Revolving Credit Agreement until such time as the final terms and conditions of the agreement are available. In support of this Motion PSNH says the following:

1. Rule Puc. 308.11 requires that each utility file a form F-4 with the Commission when it seeks authority to issue securities, which includes a petition describing the proposed transaction and other related information.

2. PSNH has prepared its petition in the above captioned proceeding, but the terms and conditions of the new unsecured Revolving Credit Agreement, under which the Company seeks authority to borrow on a long term basis is not currently available. PSNH expects the final terms and conditions of the new unsecured Revolving Credit Agreement to be available on or before July 1,, 2010, prior to the likely discovery deadlines and hearing date(s) in this docket.

3. In lieu of providing the final terms and conditions of the new unsecured Revolving Credit Agreement, PSNH has provided the principal terms and conditions of the current agreement. The Company anticipates the principal terms and conditions of the new unsecured Revolving Credit Agreement will be substantially similar to the terms of the current agreement, with rates and costs updated to reflect current market conditions.

4. Filing of the principal terms and conditions of the current unsecured Revolving Credit Agreement at this time and filing the final terms and conditions of the facility prior to the discovery deadline(s) and hearing date(s) will satisfy the principal purpose of the rule, which is to make the information available in a timely manner for review and consideration by the parties to the proceeding.

5. Filing of the information required by Rule Puc 308.11(b)(2) prior to the likely discovery deadline(s) and hearing date(s) will provide sufficient time for Staff, any Intervenors and the Commission to review and take appropriate action with respect to such information, and will not disrupt the orderly proceeding of the Commission.

6. In this proceeding, PSNH has requested a schedule which will enable the Company to access the capital markets in early 2011. PSNH's proposed schedule is intended and designed to provide adequate notice and establish reasonable periods of time for technical session, discovery and the filing of Staff and Intervenor testimony, as well as provide the Company with access to the capital markets within a reasonable period of time.

7. For the reasons set forth herein, (a) the limited filing waiver requested by PSNH is in the public interest in that it will enable the Commission to notice the proceeding at this time and establish a reasonable procedural schedule that meets the Company's desire for a September 30, 2010 Commission order, and (b) the purpose of the rule will be served by the alternative of filing the principal terms and conditions of the current unsecured Revolving Credit Agreement at this time and the final terms and conditions of the new facility prior to the discovery deadline(s) and hearing date(s), and (c) the waiver will not disrupt the orderly proceeding of the Commission.

WHEREFORE, PSNH respectfully requests that the Commission:

(a) Authorize the filing of the information required by Rule Puc 308.11(b)(2) prior to the discovery deadline(s) and hearing date(s), and

(b) Grant such further relief as may be just and reasonable.

Respectfully submitted

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

May 3, 2010 BY: Catherine E. Shively

Catherine E. Shively
Senior Counsel

ATTACHMENT 1
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AUTHORIZED AND OUTSTANDING
LONG-TERM DEBT, CAPITAL STOCK, AND SHORT-TERM DEBT
as of March 31, 2010

Long-Term Debt Outstanding:	
Series A, Auction Rate Tax-Exempt PCRB, due 2021	$ 89,250,000
Series B, 4.75% Fixed Tax-Exempt PCRB, due 2021	89,250,000
Series C, 5.45% Fixed Tax-Exempt PCRB, due 2021	108,985,000
Series D, 6.00% Fixed Tax-Exempt PCRB, due 2021	75,000,000
Series E, 6.00% Fixed Tax-Exempt PCRB, due 2021	44,800,000
Series L, 5.25% FMB, due 2014	50,000,000
Series M, 5.60% FMB, due 2035	50,000,000
Series N, 6.15% FMB, due 2017	70,000,000
Series O, 6.00% FMB, due 2018	110,000,000
Series P, 4.50% FMB, due 2019	150,000,000
	837,285,000
Less: Due within one year	-
Total Long-Term Debt Outstanding	$ 837,285,000
Capital Stock:	
Preferred Stock	$ -
Common Stock ($1 Par (301 shares outstanding))	301
Total Capital Stock*	$ 301
Total Short-Term Debt Outstanding**	$ 16,200,000

* Excludes Retained Earnings, Capital Surplus, Paid In, and Accumulated Other Comprehensive Income
** as of March 31, 2010

ATTACHMENT 2
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DEBT ISSUANCE COSTS

Total Issue Amount		**$600,000,000**
Issuance Costs:		
Underwriting[1]		$3,900,000
Legal		$30,000
Moody's	$105,000	
Fitch	$225,000	
S&P	$194,000	
Total Rating agency		$524,000
External Auditor[2]		$32,000
Miscellaneous[3]		$43,000
Total Issuance Costs[4]		**$4,529,000**
Available funds after issuance costs		**$595,471,000**

1. Underwriting fees are based upon an anticipated 0.65% commission on an issuance of ten-year secured Institutional Debt.
2. Deloitte & Touche LLP
3. Miscellaneous includes fees for registering the proposed debt with the Securities and Exchange Commission, printing, annual administrative trustee fees and underwriter expenses.
4. Total fees shown are based on a single $600 million issuance, but may increase depending on the overall number of series issued, since External Auditor, Legal and Miscellaneous fees are incurred for each issuance.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA CONSOLIDATED BALANCE SHEET - ASSETS
AS OF DECEMBER 31, 2009
(UNAUDITED)
(THOUSANDS OF DOLLARS)

ASSETS	Per Book	Pro Forma Adjustments		Pro Forma Giving Effect to Adjustments
Current Assets:				
Cash	$ 1,974	$ 568,771	a,c	$ 570,745
Receivables, net	89,337			89,337
Accounts receivable from affiliated companies	286	847	f	1,133
Unbilled revenues	49,358			49,358
Taxes receivable	22,600	12,833	b,c,e,f	35,433
Fuel, materials and supplies - current	127,447			127,447
Accumulated deferred income taxes - current	8,075			8,075
Prepayments and other	28,312			28,312
Total Current Assets	327,389	582,451		909,840
Property, Plant and Equipment, Net	1,814,714			1,814,714
Deferred Debits and Other Assets:				
Regulatory assets	494,077			494,077
Other	61,011	4,076	c,d	65,087
Total Deferred Debits and Other Assets	555,088	4,076		559,164
Total Assets	$ 2,697,191	$ 586,527		$ 3,283,718

Notes:
Cash transactions to the payment of interest on new and repaid debt are not reflected in the pro formas above.
Pro-forma adjustments do not reflect capital contributions to be made by NU Parent to manage to PSNH's allowed rate-making capital structure.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA CONSOLIDATED BALANCE SHEET - LIABILITIES AND CAPITALIZATION
AS OF DECEMBER 31, 2009
(UNAUDITED)
(THOUSANDS OF DOLLARS)

LIABILITIES AND CAPITALIZATION	Per Book	Pro Forma Adjustments		Pro Forma Giving Effect to Adjustments
Current Liabilities:				
Notes payable to banks	$ -			$ -
Notes payable to affiliated companies	26,700	$ (26,700)	a	-
Accounts payable	109,521			109,521
Accounts payable to affiliated companies	20,083			20,083
Accrued interest	10,255	28,400	b,e	38,655
Derivative liabilities - current	18,785			18,785
Other	27,983			27,983
Total Current Liabilities	213,327	1,700		215,027
Rate Reduction Bonds	188,113			188,113
Deferred Credits and Other Liabilities:				
Accumulated deferred income taxes	275,669	1,631	c,d	277,300
Accumulated deferred investment tax credits	211			211
Deferred contractual obligations	20,149			20,149
Regulatory liabilities	69,872			69,872
Derivative liabilities - long-term	7,635			7,635
Accrued pension	272,905			272,905
Accrued postretirement benefits	39,717			39,717
Other	45,893			45,893
Total Deferred Credits and Other Liabilities	732,051	1,631		733,682
Capitalization:				
Long-Term Debt	836,255	600,000	a	1,436,255
Common Stockholder's Equity:				
Common stock	-			-
Capital surplus, paid in	420,169			420,169
Retained earnings	307,988	(16,804)		291,184
Accumulated other comprehensive loss	(712)			(712)
Common Stockholder's Equity	727,445	(16,804)		710,641
Total Capitalization	1,563,700	583,196		2,146,896
Total Liabilities and Capitalization	$ 2,697,191	$ 586,527		$ 3,283,718

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(THOUSANDS OF DOLLARS)

	Per Book	Pro Forma Adjustments		Pro Forma Giving Effect to Adjustments
Operating Revenues	$ 1,109,591	$ -		$ 1,109,591
Operating Expenses:				
Operation -				
Fuel, purchased and net interchange power	520,529			520,529
Other	239,650			239,650
Maintenance	87,026			87,026
Depreciation	61,961			61,961
Amortization of regulatory liabilities, net	(29,619)			(29,619)
Amortization of rate reduction bonds	47,482			47,482
Taxes other than income taxes	47,975			47,975
Total operating expenses	975,004	-		975,004
Operating Income	134,587	-		134,587
Interest Expense:				
Interest on long-term debt	33,045	28,440	b	61,485
Interest on rate reduction bonds	13,128			13,128
Other interest	316	413	d,e	729
Interest expense, net	46,489	28,853		75,342
Other Income, Net	9,462	847	f	10,309
Income Before Income Tax Expense	97,560	(28,006)		69,554
Income Tax Expense	31,990	(11,202)	b,d,e,f	20,788
Net Income	$ 65,570	$ (16,804)		$ 48,766

Note:
Pro-forma adjustments do not reflect capital contributions to be made by NU Parent to manage to PSNH's allowed rate-making capital structure.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA CONSOLIDATED STATEMENT OF RETAINED EARNINGS
AS OF DECEMBER 31, 2009
(UNAUDITED)
(THOUSANDS OF DOLLARS)

	Per Book	Pro Forma Adjustments	Pro Forma Giving Effect to Adjustments
Balance as of beginning of year	$ 283,219	$ -	$ 283,219
Adoption of accounting guidance for other-than-temporary impairments	43	-	43
Net income	65,570	(16,804)	48,766
Dividends on common stock	(40,844)	-	(40,844)
Balance as of end of year	$ 307,988	$ (16,804)	$ 291,184

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA CONSOLIDATED CAPITAL STRUCTURE
AS OF DECEMBER 31, 2009
(UNAUDITED)
(THOUSANDS OF DOLLARS)

	Per Book	Pro Forma Adjustments	Pro Forma Giving Effect to Adjustments
Long-term debt	$ 836,255	$ 600,000	$ 1,436,255
Common stockholder's equity	727,445	(16,804)	710,641
Total Capitalization	$ 1,563,700	$ 583,196	$ 2,146,896

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2009
(THOUSANDS OF DOLLARS)

	Debit	Credit
a) Cash	$573,300	
Notes payable to affiliated companies	26,700	
Long-term debt		600,000

To record the issuance of long-term debt and apply issuance to the repayment of short-term debt, with the remainder as cash received.

	Debit	Credit
b) Interest on long-term debt	28,440	
Taxes receivable	11,376	
Accrued interest		28,440
Income tax expense		11,376

To record increase in interest expense associated with long-term debt issued and related income taxes.

	Debit	Credit
c) Deferred debits and other assets - other	4,529	
Taxes receivable	1,812	
Cash		4,529
Accumulated deferred income taxes		1,812

To record deferral of issuance expenses associated with the issuance of long-term debt and related income taxes.

	Debit	Credit
d) Other interest	453	
Accumulated deferred income taxes	181	
Deferred debits and other assets - other		453
Income tax expense		181

To record 12 months of amortization of issuance expenses associated with the issuance of long-term debt and related income taxes.

	Debit	Credit
e) Accrued interest	40	
Income tax expense	16	
Other interest		40
Taxes receivable		16

To record interest income associated with the repayment of short-term borrowings and related income taxes.

	Debit	Credit
f) Accounts receivable from affiliated companies	847	
Income tax expense	339	
Other Income, net		847
Taxes receivable		339

To record interest income associated with lending the debt issuance proceeds to the Money Pool.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
SOURCES AND APPLICATION OF FUNDS AND CAPITALIZATION
AS OF DECEMBER 31, 2007, 2008 AND 2009
AND PROJECTED[(a)] AS OF DECEMBER 31, 2010, 2011 and 2012
(Thousands of Dollars)

	12 Months 12/31/2007 Per Book	12 Months 12/31/2008 Per Book	12 Months 12/31/2009 Per Book	12 Months 12/31/2009 Pro Forma	12 Months 12/31/2010 Projected	12 Months 12/31/2011 Projected	12 Months 12/31/2012 Projected
Operating activities:							
Net income	$ 54,434	$ 58,067	$ 65,570	$ 48,766	84,314	100,853	120,499
Adjustments to reconcile net income to net cash flows provided by operating activities:							
Bad debt expense	3,433	5,661	10,084	10,084			
Depreciation	53,315	56,321	61,961	61,961			
Deferred income taxes	(4,726)	25,001	35,270	35,270			
Pension and PBOP expense, net of capitalized portion and PBOP contributions	7,258	12,350	15,519	15,519			
Regulatory underrecoveries, net	(6,167)	(23,848)	(4,392)	(4,392)			
Amortization of regulatory (liabilities)/assets, net	7,470	9,254	(29,619)	(29,619)			
Amortization of rate reduction bonds	52,344	45,644	47,482	47,482			
Deferred contractual obligations	(6,365)	(4,978)	(4,275)	(4,275)			
Proceeds from insurance settlement	-	-	10,066	10,066			
Other	(11,854)	(28,919)	(3,251)	(2,798)			
Changes in current assets and liabilities:							
Receivables and unbilled revenues, net	(15,799)	(12,058)	1,505	658			
Taxes receivable/accrued	4,144	(2,117)	(13,791)	(24,993)			
Fuel, materials and supplies	15,882	(26,209)	59	59			
Accounts payable	(8,178)	41,959	(77,738)	(77,738)			
Other current assets and liabilities	2,102	7,148	(9,192)	19,208			
Net cash flows provided by operating activities	147,293	163,276	105,258	105,258	188,087	155,595	212,105
Investing Activities:							
Investments in property and plant	(167,712)	(238,912)	(266,440)	(266,440)	(328,643)	(333,078)	(355,574)
Decrease/(increase) in NU Money Pool lending	-	(53,800)	53,800	53,800			
Other investing activities	5,683	4,607	(1,278)	(1,278)			
Net cash flows used in investing activities	(162,029)	(288,105)	(213,918)	(213,918)	(328,620)	(333,091)	(355,587)
Financing Activities:							
Cash dividends on common stock	(30,720)	(36,376)	(40,844)	(40,844)			
Decrease/(increase) in short-term debt	10,000	35,227	(45,227)	(45,227)			
Issuance of long-term debt	70,000	110,000	150,000	750,000 [(b)]	0	210,000	225,000
Increase/(decrease) in NU Money Pool borrowings	(25,200)	(11,300)	26,700	-			
Capital contributions from NU parent	44,194	75,583	68,946	68,946			
Retirements of rate reduction bonds	(51,813)	(46,879)	(47,026)	(47,026)			
Other financing activities	(1,306)	(1,681)	(2,110)	(6,639)			
Net cash flows provided by financing activities	15,155	124,574	110,439	679,210	140,533	177,496	144,205
Net increase/(decrease) in cash	419	(255)	1,779	570,550	0	0	723
Cash - beginning of year	31	450	195	195	0	0	0
Cash - end of year	$ 450	$ 195	$ 1,974	$ 570,745	0	0	723

(a) Projections dated as of December 31, 2010, 2011 and 2012 are based on latest 5-year forecast.
(b) Full amount of requested debt being pro formed into year end 2009 actual financials.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
SOURCES AND APPLICATION OF FUNDS AND CAPITALIZATION
AS OF DECEMBER 31, 2007, 2008 and 2009
(Thousands of Dollars)

	12/31/07 Per Books	Percentage	12/31/08 Per Books	Percentage	12/31/09 Per Books	Percentage	Pro Forma Adjustments	12/31/2009 Pro Forma Giving Effect to Proposed Transaction	Percentage
DEBT:									
Short-term debt	$ 21,300		$ 45,227		$ 26,700		$ (26,700)	$ -	
Long-term debt	576,997		686,779		836,255		600,000	1,436,255	
Total debt	598,297	52.66%	732,006	53.60%	862,955	54.26%	573,300	1,436,255	66.90% *
COMMON STOCKHOLDER'S EQUITY:									
Common stock	-		-		-			-	
Capital surplus, paid in	275,569		351,245		420,169			420,169	
Retained earnings	261,528		283,219		307,988		(16,804)	291,184	
Accumulated other comprehensive income/(loss)	770		(749)		(712)			(712)	
Total common stockholder's equity	537,867	47.34%	633,715	46.40%	727,445	45.74%	(16,804)	710,641	33.10%
Total capitalization	$ 1,136,164	100.00%	$ 1,365,721	100.00%	$ 1,590,400	100.00%	$ 556,496	$ 2,146,896	100.00%

* The Company plans to receive equity contributions from NU Parent as needed to maintain PSNH's allowed rate-making capital structure.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
SOURCES AND APPLICATION OF FUNDS AND CAPITALIZATION
PROJECTED[(a)] AS OF DECEMBER 31, 2010, 2011 and 2012
(Thousands of Dollars)

	12/31/2010 Projected	Percentage	12/31/2011 Projected	Percentage	12/31/2012 Projected	Percentage
DEBT:						
Short-term debt	82,485		53,793		47,544	
Long-term debt	836,899		1,046,848		1,271,796	
Long-term debt - current portion	-		-		-	
Total debt	919,384	49.21%	1,100,641	50.04%	1,319,340	52.35%
COMMON EQUITY:						
Common stock	-		-		-	
Capital surplus, paid in	604,737		714,485		768,371	
Retained earnings	344,050		384,309		432,536	
Total common equity	948,788	50.79%	1,098,794	49.96%	1,200,907	47.65%
Total capital	$ 1,868,172	100.00%	$ 2,199,434	100.00%	$ 2,520,247	100.00%

(a) Projections dated as of December 31, 2010, 2011 and 2012 are based on latest 5-year forecast, dated February 18, 2010

Attachment _6
Sample PSNH Board Resolutions

PSNH Directors Consent
_________ ___, 2010

ISSUANCE OF ADDITIONAL SERIES OF FIRST MORTGAGE BONDS AND AUTHORIZATION TO ENTER INTO INTEREST RATE RISK MANAGEMENT TRANSACTIONS

WHEREAS, the officers of Public Service Company of New Hampshire ("PSNH") have recommended that PSNH issue a new series of first mortgage bonds, in an aggregate principal amount not to exceed $_________, upon the terms and within the parameters set forth below, the proceeds of which issuances shall be used primarily to refinance short-term debt, finance anticipated capital expenditures, and pay issuance costs.

NOW, THEREFORE, BE IT

RESOLVED, that subject to the limitations set forth below, the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer and the Assistant Treasurer-Finance of PSNH (collectively, the "Financial Officers") are each severally authorized to cause PSNH to issue, to institutional investors and retail investors, at any time and from time to time through ___________, 201_ (the "Issuance Period"), not more than $__________ in aggregate principal amount of its first mortgage bonds, the proceeds of which shall be used primarily to refinance PSNH's short-term debt and finance anticipated capital expenditures, such bonds to be issued in one series to be designated the "First Mortgage Bonds, Series Q Due 20__" (the "Series Q Bonds") having a maturity of not less than one nor more than forty years.

RESOLVED, that the Financial Officers are each severally authorized during the Issuance Period to approve and execute PSNH's acceptance of a proposal for the purchase of up to $__________ aggregate principal amount of the Series Q Bonds, between PSNH and a representative of a group of underwriters (singly or collectively, the "Underwriter") and otherwise in accordance with the following terms:

Interest Rate:	Subject to the approval of the Public Utilities Commission of the State of New Hampshire ("NHPUC") and, if necessary, the Vermont Public Service Board ("VPSB"), not in excess of 400 basis points above the prevailing market interest rate on U.S. Treasury Securities with a comparable maturity or average life, as the case may be.
Underwriting Spread:	Not in excess of _____% of the aggregate principal amount of the Series Q Bonds issued and sold in an offering to institutional investors and not in excess of _____% of the aggregate principal

amount of the Series Q Bonds issued and sold in an offering to retail investors.

Principal Amount:	Not in excess of $_________.
Maturity:	Not earlier than the first nor later than the fortieth anniversary of the date of issuance.
Sinking Fund:	None.
Redemption:	The Series Q Bonds shall be redeemable with a "make-whole" premium and such other terms as the Financial Officers may determine.

RESOLVED, that the Financial Officers are severally authorized, in the name and on behalf of PSNH, to execute and deliver, at any time within the Issuance Period, and thereafter to perform, an Underwriting Agreement to be dated as of a date within the Issuance Period (the "Underwriting Agreement") between PSNH and the Underwriter, which Underwriting Agreement shall be substantially in the form circulated with this consent, but reflecting such changes therein (including the insertion, where appropriate, of the interest rate, principal amount and maturity date of the Series Q Bonds, the name of the Underwriter, the amount to be purchased by each Underwriter, the date of the Underwriting Agreement and such other material terms as the Financial Officers deem appropriate) as may be approved by a Financial Officer so acting, such approval to be conclusively evidenced by his or her execution and delivery of the Underwriting Agreement.

RESOLVED, that this Board ratifies and confirms the execution and filing, in the name and on behalf of PSNH, with the NHPUC and the VPSB of applications for (i) the issuance of up to $__________ aggregate principal amount of Series Q Bonds; (ii) the use of interest rate swaps or Treasury Locks in a notional amount not exceeding the total principal amount of the debt issued in connection with these securities; and (iii) the mortgage of property in connection with the issuance of long-term debt.

RESOLVED, that the officers of PSNH are further severally authorized to effect such amendments to the application filed with the NHPUC and the VPSB, and to take such other actions with respect thereto, as each of them may severally deem necessary or desirable.

RESOLVED, that PSNH shall effect the issuance, sale and delivery of the Series Q Bonds in accordance with and upon the terms and conditions set out in the Underwriting Agreement, and that the interest rate to be borne by the Series Q Bonds, expressed as a percentage per annum, shall be such rate, the principal amount of the Series Q Bonds shall be such amount, the maturity date of the Series Q Bonds shall be such date, and the redemption provisions shall have such terms as shall be within the parameters set forth above and approved by a Financial Officer and certified by any of them to the Trustee under PSNH's First Mortgage Indenture dated as of August 15, 1978 with U.S. Bank, National Association, as successor to

Wachovia Bank, successor to First Fidelity Bank and First Union National Bank, as Trustee ("Trustee"), as heretofore amended and supplemented (the "Indenture").

RESOLVED, the Financial Officers are hereby authorized to execute and deliver (i) one Supplemental Indenture, effecting, among other things, an amendment of Articles One through Seventeen of the Indenture (the "Supplemental Indenture"), to be dated as of the first day of the month of issuance of the Series Q Bonds, with the Trustee; (ii) one or more Series Q Bonds as provided thereunder to evidence the obligation of PSNH with respect thereto; and (iii) any and all such further instruments and documents as are provided for therein, all substantially in the form circulated with this consent subject to any changes thereto as may be approved by a Financial Officer so acting, such approval to be conclusively evidenced by his or her execution and delivery of such documents.

RESOLVED, that it is desirable and in the best interests of PSNH that the Series Q Bonds be qualified or registered for sale in various states; that this Board hereby authorizes the officers of PSNH to take any and all action to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the Series Q Bonds as the officers may deem advisable, including, but not limited to, the execution and filing of applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process, and the execution by the officers of any such paper or document or doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from PSNH.

RESOLVED, the Trustee is hereby requested to authenticate and deliver the Series Q Bonds on the order of any of the Financial Officers.

RESOLVED, that the Series Q Bonds shall be issued in fully registered form without coupons, in denominations of: (i) $1,000 and any multiples thereof in an offering to institutional investors; and (ii) $25 and any multiples thereof in an offering to retail investors.

RESOLVED, that the Series Q Bonds shall be substantially in the form set forth in Schedule A to the form of Supplemental Indenture, subject to any changes therein, not contrary to the general tenor thereof (including the insertion, where appropriate, of the maturity date, principal amount, and the interest rate to be borne by the Series Q Bonds), as may be approved by a Financial Officer, such approval to be conclusively evidenced by the initial sale of the Series Q Bonds; and that the Series Q Bonds shall be dated, shall mature, shall be payable, transferable and exchangeable, and shall contain and be subject to such other terms and provisions as are provided in the Indenture and the Supplemental Indenture.

RESOLVED, that the Financial Officers are severally authorized to take any action necessary to cause the Series Q Bonds to be represented by one or more global securities, which shall be registered in the name of The Depository Trust Company, New York, New York (the "Depository"), or its successor or nominee, including the execution and delivery of a Letter of Representations among the Trustee, PSNH and the Depository (the "Representation Letter").

RESOLVED, that the Financial Officers are severally authorized and empowered to take, in their discretion, any and all action necessary or convenient to provide for the authentication, issuance, sale and delivery of up to $__________ principal amount of Series Q Bonds and all other matters necessary or convenient to effect the purposes of the foregoing resolutions which the officer acting may deem necessary or advisable or which may be required by the terms of the Indenture in connection with the execution and delivery of the Supplemental Indenture, the Underwriting Agreement or the Representation Letter, including, without limitation of the foregoing, the execution on behalf of PSNH of all documents required or appropriate in connection therewith and the payment of any taxes or fees required with respect thereto, and compliance with applicable recording and filing requirements.

RESOLVED, that the officers of PSNH are further severally authorized to effect amendments to the Registration Statement on Form S-3 filed with the Securities and Exchange Commission on March 19, 2010 registering an undetermined amount of PSNH's First Mortgage Bonds (the "Registration Statement"), previously approved by this Board, and supplements to the prospectus describing PSNH First Mortgage Bonds included as part of the Registration Statement, including a Prospectus Supplement relating to the Series Q Bonds, and to take such other action with respect thereto as each of them may severally deem necessary or desirable.

RESOLVED, that the Financial Officers or their approved designees (consistent with the Northeast Utilities System Interest Rate Risk Management Policies and Procedures dated _________, as they may be amended from time to time (the "Policies")), are each severally authorized at any time up to and including _________ __, 201_, to enter into, for and on behalf of PSNH, interest rate hedging transactions with respect to existing and anticipated indebtedness of PSNH through the use of derivative financial instruments, including but not limited to swaps, caps, collars, floors, interest rate locks or forward purchase arrangements, in accordance with the parameters set forth in the Policies.

RESOLVED, that the officers of PSNH are each authorized to take, in their discretion, any and all actions necessary or desirable to carry out the purposes and intent of the foregoing resolutions, including, without limitation, the execution and delivery of all necessary documents and agreements, and the preparation and filing of applications for approval of such transactions and reports with respect thereto, as required by law or any regulatory authority.

Attachment 7

COMPOSITE (Including All Amendments to _______)

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

and

U.S. BANK, NATIONAL ASSOCIATION

Successor to WACHOVIA BANK, NATIONAL ASSOCIATION

and to

FIRST UNION NATIONAL BANK

Formerly Known as FIRST FIDELITY BANK, NATIONAL ASSOCIATION, NEW JERSEY

Successor to BANK OF NEW ENGLAND, NATIONAL ASSOCIATION
(Formerly Known as NEW ENGLAND MERCHANTS NATIONAL BANK)
and to
NEW BANK OF NEW ENGLAND, NATIONAL ASSOCIATION, TRUSTEE

To Secure

First Mortgage Bonds

First Mortgage Indenture

Dated as of August 15, 1978,

As amended by __________ Supplemental Indentures
(to and including __________ Supplemental Indenture
dated as of ________ and effective as of _________)

ATTACHMENT 8

PUBLIC SERVICE COMPANY
OF NEW HAMPSHIRE
AND
U.S. BANK NATIONAL ASSOCIATION,

Successor to WACHOVIA BANK, NATIONAL ASSOCIATION

and to FIRST UNION NATIONAL BANK

Formerly Known as FIRST FIDELITY BANK, NATIONAL ASSOCIATION,
NEW JERSEY

Successor to BANK OF NEW ENGLAND, NATIONAL ASSOCIATION
(Formerly Known as NEW ENGLAND MERCHANTS NATIONAL BANK)
and to
NEW BANK OF NEW ENGLAND, NATIONAL ASSOCIATION, TRUSTEE

EIGHTEENTH SUPPLEMENTAL INDENTURE
Dated as of ___________, 20__

TO ISSUE SERIES Q
FIRST MORTGAGE BONDS

$_____________ First Mortgage Bonds, Series Q, due 20__

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THIS EIGHTEENTH SUPPLEMENTAL INDENTURE dated as of __________, 20__, between PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE (with its successors and assigns, the "Company"), a corporation duly organized and existing under the laws of the State of New Hampshire, having its principal place of business at Energy Park, 780 North Commercial Street in Manchester, New Hampshire 03101, and U.S. BANK NATIONAL ASSOCIATION (as successor to Wachovia Bank, National Association, and by merger to First Union National Bank, formerly known as First Fidelity Bank, National Association, New Jersey, successor in trust to Bank of New England, National Association (formerly known as New England Merchants National Bank) and to New Bank of New England, National Association), said U.S. BANK NATIONAL ASSOCIATION being a national banking association duly organized and existing under the laws of the United States of America having a corporate trust office at 21 South Street, Third Floor, Morristown, New Jersey 07960 and duly authorized to execute the trusts hereof (with its successors in trust, the "Trustee") under the General and Refunding Mortgage Indenture, dated August 15, 1978 (as amended by ten supplemental indentures, including the Tenth Supplemental Indenture dated as of May 1, 1991, the "Original Indenture" and sometimes referred to, with each and every prior indenture supplemental thereto and each and every other instrument, including this Eighteenth Supplemental Indenture, supplemental to the Original Indenture, as the "Indenture").

WHEREAS, the Company has previously executed and delivered to the Trustee sixteen supplemental indentures which are part of the Indenture for the purposes recited therein and for the purpose of issuing bonds under the Indenture, the currently outstanding series of which are set forth in the following table:

Supplemental Indenture No.	Dated as of	Series	Series Designation	Principal Amount Authorized	Principal Amount Issued	Principal Amount Outstanding
Tenth	May 1, 1991	Series F	First Mortgage Bonds (Series F Adjustable Rate* due 2021)	$114,500,000	$75,000,000	$75,000,000
Tenth	May 1, 1991	Series G	First Mortgage Bonds (Series G Adjustable Rate* due 2021)	$114,500,000	$44,800,000	$44,800,000
Twelfth	December 1, 2001	Series I	First Mortgage Bonds (Series I due 2021)*	$89,250,000	$89,250,000	$89,250,000
Twelfth	December 1, 2001	Series J	First Mortgage Bonds (Series J due 2021)*	$89,250,000	$89,250,000	$89,250,000
Twelfth	December 1, 2001	Series K	5.45% First Mortgage Bonds (Series K due 2021)	$108,985,000	$108,985,000	$108,985,000
Thirteenth	July 1, 2004	Series L	5.25% First Mortgage Bonds, Series L, due 2014	$50,000,000	$50,000,000	$50,000,000

Supplemental Indenture No.	Dated as of	Series	Series Designation	Principal Amount Authorized	Principal Amount Issued	Principal Amount Outstanding
Fourteenth	October 1, 2005	Series M	5.60% First Mortgage Bonds, Series M, due 2035	$50,000,000	$50,000,000	$50,000,000
Fifteenth	September 1, 2007	Series N	6.15% First Mortgage Bonds, Series N, due 2017	$70,000,000	$70,000,000	$70,000,000
Sixteenth	May 1, 2008	Series O	6.00% First Mortgage Bonds, Series O, due 2018	$110.000,000	$110,000.000	$110,000,000
Seventeenth	December 1, 2009	Series P	4.50% First Mortgage Bonds, Series P, due 2019	$150,000,000	$150,000,000	$150,000,000
					Total Outstanding Principal Amount:	$787,285,000

* These First Mortgage Bonds contain provisions for changes in the interest rate.

WHEREAS, the execution and delivery of this Eighteenth Supplemental Indenture and the issuance of not exceeding initially $___________ in aggregate principal amount of the Company's First Mortgage Bonds, Series Q (hereinafter generally referred to as the "Series Q Bonds" or the "bonds of Series Q"), and other necessary actions have been duly authorized by the Board of Directors of the Company;

WHEREAS, the Company proposes to execute and deliver this Eighteenth Supplemental Indenture to provide for the issue of the bonds of Series Q and confirm the lien of the Indenture on the property referred to below, all as permitted by Section 15.1 of the Original Indenture;

WHEREAS, the Company has purchased, constructed or otherwise acquired certain additional property not heretofore specifically described in the Indenture but which is and is intended to be subject to the lien thereof, and proposes specifically to subject such additional property to the lien of the Indenture at this time;

WHEREAS, all acts and things necessary to make the initial issue of the Series Q Bonds, when executed by the Company and authenticated by the Trustee and delivered as in the Original Indenture provided, the legal, valid and binding obligations of the Company according to their terms and to make this Eighteenth Supplemental Indenture a legal, valid and binding instrument for the security of the bonds, in accordance with its and their terms, have been done and performed, and the execution and delivery of this Eighteenth Supplemental Indenture has in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises, and of the acceptance of said Series Q Bonds by the holder thereof, and of the sum of $1.00 duly paid by the Trustee to the Company, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Original Indenture as previously supplemented by said sixteen preceding supplemental indentures, and in performance of and compliance with the provisions thereof, said Public Service Company of New Hampshire, by these presents, does give, grant, bargain, sell, transfer, assign, pledge, mortgage and convey unto U.S. Bank National Association, as Trustee, as provided in the Original Indenture, as previously supplemented and amended and as supplemented by this Eighteenth Supplemental Indenture, and its successor or successors in the trust thereby and hereby created, and its and their assigns, (a) all and singular the property, and rights and interests in property, described in the Original Indenture and the sixteen preceding supplemental indentures (said supplemental indentures, in each case, as applicable, as amended by the Tenth Supplemental Indenture, hereinafter referred to as the Preceding Supplemental Indentures), and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended so to be (said descriptions in said Original Indenture and the Preceding Supplemental Indentures being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released or sold or disposed of in whole or in part as permitted by the provisions of the Original Indenture, and (b) also, but without in any way limiting the generality of the foregoing, all the right, title and interest of the Company, now owned or hereafter acquired, in and to the rights, titles, interests and properties described or referred to in Schedule B hereto attached and hereby made a part hereof as fully as if set forth herein at length, in all cases not specifically reserved, excepted and excluded; the foregoing property, and rights and interests in property, being located in the following listed municipalities in New Hampshire and unincorporated areas in Coos County, New Hampshire, as well as in various municipalities in the States of Maine, Vermont and elsewhere:

BELKNAP COUNTY — Alton, Barnstead, Belmont, Center Harbor, Gilford, Gilmanton, Laconia, Meredith, New Hampton, Sanbornton, Tilton;

CARROLL COUNTY — Albany, Brookfield, Chatham, Conway, Eaton, Effingham, Freedom, Madison, Moultonboro, Ossipee, Sandwich, Tamworth, Tuftonboro, Wakefield, Wolfeboro;

CHESHIRE COUNTY — Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Jaffrey, Keene, Marlborough, Marlow, Nelson, Richmond, Rindge, Roxbury, Stoddard, Sullivan, Surry, Swanzey, Troy, Westmoreland, Winchester;

COOS COUNTY — Bean's Grant, Berlin, Cambridge, Carroll, Chandler's Purchase, Clarksville, Colebrook, Columbia, Crawford's Purchase, Dalton, Dummer, Errol, Gorham, Green's Grant, Jefferson, Lancaster, Martin's Location, Milan, Millsfield, Northumberland, Pinkham's Grant, Pittsburg, Randolph, Shelburne, Stark, Stewartstown, Stratford, Success, Thompson & Meserve's Purchase, Wentworth's Location, Whitefield;

GRAFTON COUNTY — Alexandria, Ashland, Bath, Bethlehem, Bridgewater, Bristol, Campton, Easton, Enfield, Franconia, Grafton, Hanover, Haverhill, Hebron, Holderness, Landaff, Lincoln, Lisbon, Littleton, Lyman, Lyme, Orange, Orford, Piermont, Plymouth, Rumney, Sugar Hill, Thornton, Woodstock;

HILLSBOROUGH COUNTY — Amherst, Antrim, Bedford, Bennington, Brookline, Deering, Francestown, Goffstown, Greenfield, Greenville, Hancock, Hillsborough, Hollis, Hudson, Litchfield, Lyndeborough, Manchester, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Boston, New Ipswich, Pelham, Peterborough, Sharon, Temple, Weare, Wilton, Windsor;

MERRIMACK COUNTY — Allenstown, Andover, Boscawen, Bow, Bradford, Canterbury, Chichester, Concord, Danbury, Dunbarton, Epsom, Franklin, Henniker, Hill, Hooksett, Hopkinton, Loudon, Newbury, New London, Northfield, Pembroke, Pittsfield, Salisbury, Sutton, Warner, Webster, Wilmot;

ROCKINGHAM COUNTY — Auburn, Atkinson, Brentwood, Candia, Chester, Danville, Deerfield, Derry, East Kingston, Epping, Exeter, Fremont, Greenland, Hampstead, Hampton, Hampton Falls, Kensington, Kingston, Londonderry, New Castle, Newfields, Newington, Newmarket, Newton, North Hampton, Northwood, Nottingham, Portsmouth, Raymond, Rye, Sandown, Seabrook, South Hampton, Stratham, Windham;

STRAFFORD COUNTY — Barrington, Dover, Durham, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rochester, Rollinsford, Somersworth, Strafford;

SULLIVAN COUNTY — Charlestown, Claremont, Cornish, Croydon, Goshen, Grantham, Lempster, Newport, Plainfield, Springfield, Sunapee, Unity, Washington;

SUBJECT, HOWEVER, as to all of the foregoing, to the specific rights, privileges, liens, encumbrances, restrictions, conditions, limitations, covenants, interests, reservations, exceptions and otherwise as provided in the Original Indenture and the Preceding Supplemental Indentures, and in the descriptions in the schedules thereto and hereto and in the deeds or grants in said schedules referred to;

BUT SPECIFICALLY RESERVING, EXCEPTING AND EXCLUDING (as the same are reserved, excepted and excluded from the lien of the Original Indenture and the Preceding Supplemental Indentures) from this instrument and the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and interest of the Company, now owned or hereafter acquired, in and to the properties and rights specified in subclauses (a) to (m), both inclusive, of the paragraph beginning "BUT SPECIFICALLY RESERVING, EXCEPTING AND EXCLUDING..." which paragraph is part of the granting clauses of the Original Indenture;

TO HAVE AND TO HOLD all said plant, premises, property, franchises and rights hereby conveyed, assigned, pledged or mortgaged, or intended so to be, unto the Trustee, its successor or successors in trust, and to its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal pro rata benefit, security and protection of the owners of the bonds without any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

PROVIDED, HOWEVER, and these presents are upon the condition, that if the Company shall pay or cause to be paid or make appropriate provision for the payment unto the holders of the bonds of the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein, and shall keep, perform and observe all and singular the covenants, agreements and provisions in the Indenture expressed to be kept, performed and observed by or on the part of the Company, then the Indenture and the estate and rights thereby and hereby granted shall, pursuant and subject to the provisions of Article 16 of the Original Indenture, cease, determine and be void, but otherwise shall be and remain in full force and effect.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, viz.:

ARTICLE 1
SERIES Q BONDS

SECTION 1.01. Designation; Amount. The bonds of Series Q shall be designated "First Mortgage Bonds, Series Q, due 20__" and shall initially be authenticated in the aggregate principal amount of ______________ Dollars ($__________). The initial issue of the bonds of Series Q may be effected upon compliance with the applicable provisions of the Original Indenture. Additional bonds of Series Q, without limitation as to amount, having the same terms and conditions as the bonds of Series Q (except for the date of original issuance, the initial interest payment date and the offering price) may also be issued by the Company without the consent of the holders of the bonds of Series Q, pursuant to a separate supplemental indenture related thereto. Such additional bonds of Series Q shall be part of the same series as the bonds of Series Q. The Trustee shall authenticate and deliver up to $____________ aggregate principal amount of Series Q Bonds at any time upon application by the Company and compliance with the applicable provisions of the Original Indenture.

SECTION 1.02. Form of Series Q Bonds; Global Security; Depository for Global Securities. The Series Q Bonds shall be issued only in fully registered form without coupons in denominations of One Thousand Dollars ($1,000.00) and multiples thereof.

The Series Q Bonds shall be initially represented by one or more global securities (the "Global Securities"). Each Global Security will be deposited with, or on behalf of, The Depository Trust Company, as depository ("DTC"), and registered in the name of Cede & Co., a nominee of DTC.

The Series Q Bonds shall be in substantially the form set forth in Schedule A attached hereto. The terms of the Series Q Bonds contained in such form are hereby incorporated herein by reference as though fully set forth in this place and are made a part of this Eighteenth Supplemental Indenture.

SECTION 1.03. Provisions of Series Q Bonds; Interest Accrual. The Series Q Bonds shall mature on __________, 20__ and shall bear interest at the rate of 4.50% per year, payable semiannually in arrears on June 1 and __________ of each year (each, an "Interest Payment Date") (except that the final Interest Payment Date will be __________, 20__) beginning on June 1, 2010, and on the maturity date, until the Company's obligation in respect of the principal thereof shall be discharged, and at the rate of 4.50% per annum on any overdue principal and premium and on any overdue installment of interest. The Series Q Bonds shall be dated the date of authentication thereof by the Trustee and shall bear interest on the principal amount from, and including, the date of original issuance to, and excluding, the first Interest Payment Date and then from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the maturity date, as the case may be. Interest on the Series Q Bonds will be computed on the basis of 360-day year of twelve 30-day months.

The Series Q Bonds shall be payable both as to principal and interest at the corporate trust office of the Trustee at U.S. Bank National Association in Morristown, New Jersey or the corporate trust office of its successors, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The interest on the Series Q Bonds shall be payable without presentation, and only to or upon the person in whose name the Series Q Bonds are registered at the close of business on the business day prior to each Interest Payment Date. The Series Q Bonds shall be callable for redemption in whole or in part according to the terms and provisions provided herein in Section 1.05.

The Company has initially designated DTC as the depository for the Series Q Bonds. For as long as the Series Q Bonds or any portion thereof are in the form of a Global Security, and notwithstanding the previous paragraph, all payments of interest, principal and other amounts in respect of the Series Q Bonds shall be made to DTC or its nominee in accordance with its applicable policies and procedures, in the coin or currency specified above. So long as the Series Q Bonds are in the form of a Global Security, neither the Company nor the Trustee shall have any responsibility with respect to the policies and procedures of DTC, or any successor depository, or for any notices or other communications among DTC, its direct and indirect participants or beneficial owners of the Series Q Bonds.

SECTION 1.04. Transfer and Exchange of Series Q Bonds. So long as the Series Q Bonds are in the form of Global Securities, the Series Q Bonds may not be transferred except as a whole (1) by DTC to a nominee of DTC or (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor. If (1) DTC is at any time unwilling or unable to continue as depository and a successor depository is not appointed by the Company within ninety days or (2) there shall have occurred and be continuing after any applicable grace periods an Event of Default under the Indenture with respect to the Series Q Bonds represented by such Global Security, the Company will issue certificated Series Q Bonds in definitive registered form in exchange for the Global Securities.

The Company may at any time and in its sole discretion determine not to have any Series Q Bonds in registered form represented by one or more Global Securities and, in such event, will issue certificated bonds in definitive form in exchange for the Global Securities representing the Series Q Bonds. In any such instance, an owner of a beneficial interest in the Global Securities will be entitled to physical delivery in definitive form of certificated bonds represented by the Global Securities equal in principal amount to such beneficial interest and to have such certificated bonds registered in its name.

In the event certificated bonds are issued in exchange for the Global Securities, the Series Q Bonds may be surrendered for registration of transfer as provided in Section 2.8 of the Original Indenture at the corporate trust office of the Trustee at U.S. Bank National Association in Morristown, New Jersey or the corporate trust offices of its successors, and may be surrendered at said office for exchange for a like aggregate principal amount of Series Q Bonds of other authorized denominations. Notwithstanding the provisions of Section 2.7 of the Original Indenture, no charge, except for taxes or other governmental charges, shall be made by the Company for any registration of transfer of Series Q Bonds or for the exchange of any Series Q Bonds for such bonds of other authorized denominations.

SECTION 1.05. Redemption of the Series Q Bonds. The Series Q Bonds are subject to redemption, in whole or in part, at the option of the Company at any time. If the Company elects to redeem the Series Q Bonds, it will do so at a redemption price equal to the greater of (x) one hundred percent (100%) of the principal amount of the Series Q Bonds being redeemed, plus accrued interest thereon to the redemption date, or (y) as determined by the Quotation Agent, the sum of the present value of the remaining scheduled payments of principal and interest on the Series Q Bonds to be redeemed (not including any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate plus twenty (20) basis points, plus accrued interest to the redemption date. The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

The Company shall notify the Trustee in writing, not less than forty-five (45) days, or such shorter period as shall be acceptable to the Trustee, of any such election to redeem. Such notice shall include the amount of Series Q Bonds to be redeemed, the redemption date and the redemption price.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Series Q Bonds that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Series Q Bonds.

"Comparable Treasury Price" means, with respect to any redemption date: (i) the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

"Quotation Agent" means the Reference Treasury Dealer appointed by the Company.

"Reference Treasury Dealer" means a primary U.S. Government securities dealer in New York, New York selected by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that redemption date.

Notice of any redemption will be provided at least 30 days but not more than 60 days before the redemption date to each holder of the Series Q Bonds to be redeemed.

Absent a default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Series Q Bonds or portions of the Series Q Bonds called for redemption.

If less than all of the Series Q Bonds are to be redeemed, the Trustee will select the Series Q Bonds to be redeemed by a method that the Trustee deems fair and appropriate and which may provide for the selection for the redemption of portions (equal to $1,000 or any multiple thereof) of the principal amount of the Series Q Bonds larger than $1,000. Notice of redemption will be mailed, first-class mail postage prepaid, to each holder of Series Q Bonds to be redeemed at the holder's address in the register for the Series Q Bonds. If any Series Q Bonds are to be redeemed in part only, the notice of redemption that relates to that Series Q Bond will state the portion of the principal amount of that Series Q Bond to be redeemed. In that case, the Company will issue a new Series Q Bond of any authorized denomination, as requested, in an aggregate principal amount equal to the unredeemed portion of such Series Q Bond, in the name of the holder upon cancellation of the original Series Q Bond. Series Q Bonds or portions of Series Q Bonds to be redeemed become due on the redemption date, and interest will cease to accrue on those Series Q Bonds or portions of Series Q Bonds on the redemption date.

The Series Q Bonds are not subject to any sinking fund.

Except as provided in this Section 1.05, the Series Q Bonds are not subject to redemption under any provisions of the Indenture.

SECTION 1.06. Effect of Event of Default. If an Event of Default shall have occurred and be continuing, the principal of the Series Q Bonds may be declared due and payable in the manner and with the effect provided in the Indenture.

SECTION 1.07. Payment Date Not a Business Day. If any redemption or maturity date for principal, premium or interest with respect to the Series Q Bonds shall be (i) a Sunday or a legal holiday, or (ii) a day on which banking institutions are authorized pursuant to law to close and on which the corporate trust offices of the Trustee in Minnesota or New Jersey are not open for business, then the payment thereof may be made on the next succeeding day not a day specified in (i) or (ii) with the same force and effect as if made on the specified payment date and no interest shall accrue for the period after the specified payment date.

SECTION 1.08. Amendment and Restatement of Mortgage Indenture. Each holder of a Series Q Bond, solely by virtue of its acquisition thereof, including as an owner of a book-entry interest therein, shall have and be deemed to have consented, without the need for any further action or consent by such holder, to the amendment and restatement of the Original Indenture in substantially the form set forth in Schedule C appended to the Fifteenth Supplemental Indenture dated as of September 1, 2007 (the "Amended and Restated Indenture"), with such additions, deletions, and other changes made to such form prior to the time of such amendment and restatement ("Future Changes") (1) that add to the covenants of the Company in the Amended and Restated Indenture, or surrender rights or powers of the Company therein, for the benefit of the holders of the outstanding bonds issued under the Original Indenture, (2) as shall be requested by the Trustee and its counsel, (3) as may be requested by the New Hampshire Public Utilities Commission or other regulatory authority having jurisdiction over the Company, or (4) otherwise, as shall be proposed by the Company after the date of the execution and delivery of this Eighteenth Supplemental Indenture, *provided* that (a) in the case of any Future Change described in clause (4), such Future Change is not, in the reasonable judgment of the Company, inconsistent with the fundamental structure and terms of the Amended and Restated Indenture, and (b) in the case of any Future Change described in clause (3) or (4), such Future Change does not, in the reasonable judgment of the Company, adversely affect in any material respect the interests of the holders of the bonds issued under the Original Indenture.

The Amended and Restated Indenture described in this Section 1.08 refers to a planned future amendment and restatement of the terms of the Original Indenture substantially in their entirety. No portion of the Amended and Restated Indenture is in effect as of the date of this Eighteenth Supplemental Indenture. To become effective under the existing Indenture, most of the changes in the Amended and Restated Indenture require the consent of the holders of not less than a majority in principal amount of all bonds of the Company then outstanding under the Indenture. These changes will become effective as soon as the Company receives the required majority consent. Effective with the issuance of the Series Q Bonds, as a result of having obtained the consent of not less than a majority in principal amount of all bonds outstanding under the Indenture, these changes have become effective. The remaining changes require the consent of the holders of 100% in principal amount of all bonds of the Company then outstanding under the Indenture. As a result, these remaining changes will not become effective until the Company receives the required unanimous consent. Accordingly, the Amended and Restated Indenture, including any Future Changes contemplated by this Section 1.08, will not be in effect until the Company receives the required majority consent described above, and until the Amended and Restated Indenture is duly executed and acknowledged by the Company and the Trustee of the existing First Mortgage Indenture, with the changes requiring the unanimous consent described above taking effect automatically thereafter when such consent is obtained.

ARTICLE 2
AMENDMENT AND RESTATEMENT OF MORTGAGE INDENTURE

SECTION 2.01. Amendment of Granting and Related Clauses. [To be completed.]

SECTION 2.02. Substitution of New Articles One through Sixteen. [To be completed.]

ARTICLE 3
MISCELLANEOUS PROVISIONS

SECTION 3.01. Recitals. The recitals in this Eighteenth Supplemental Indenture shall be taken as recitals by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Eighteenth Supplemental Indenture, and the Trustee makes no covenants or representations, and shall not be responsible, as to or for the effect, authorization, execution, delivery or recording of this Eighteenth Supplemental Indenture, except as expressly set forth in the Original Indenture. The Trustee shall not be taken impliedly to waive by this Eighteenth Supplemental Indenture any right it would otherwise have.

SECTION 3.02. Benefits of Eighteenth Supplemental Indenture. Nothing in this Eighteenth Supplemental Indenture, expressed or implied, is intended or shall be construed to confer upon, or give to, any person, firm or corporation, other than the parties hereto and the holders of the Series Q Bonds, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation thereof; and the covenants, stipulations and agreements in the Indenture contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and holders of the bonds.

SECTION 3.03. Effect of Eighteenth Supplemental Indenture. This Eighteenth Supplemental Indenture is executed, shall be construed as and is expressly stated to be an indenture supplemental to the Original Indenture and shall form a part of the Indenture; and the Original Indenture, as supplemented and amended by this Eighteenth Supplemental Indenture, is hereby confirmed and adopted by the Company as its obligation. All terms used in this Eighteenth Supplemental Indenture shall be taken to have the meaning specified in the Original Indenture, except in cases where the context clearly indicates otherwise.

SECTION 3.04. Termination. This Eighteenth Supplemental Indenture shall become void when the Indenture shall be void.

SECTION 3.05. Trust Indenture Act. If and to the extent that any provision of this Eighteenth Supplemental Indenture limits, qualifies or conflicts with any of the applicable provisions of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, as amended, such required provision shall control.

SECTION 3.06. Counterparts. This Eighteenth Supplemental Indenture may be simultaneously executed in any number of counterparts, each of which shall be deemed an original; and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument, which shall for all purposes be sufficiently evidenced by any such original counterpart.

SECTION 3.07. Notices. Any notice to the Trustee under any provision of this Eighteenth Supplemental Indenture shall be sufficiently given if served personally upon a responsible officer of the Trustee or mailed by registered or certified mail, postage prepaid, addressed to the Trustee at its corporate trust office, which is U.S. Bank National Association, 21 South Street, Third Floor, Morristown, New Jersey 07960 as of the date hereof. The Trustee shall notify the Company from time to time of any change in the address of its corporate trust office.

SECTION 3.08. Definitions. The use of the terms and expressions herein is in accordance with the definitions, uses and construction contained in the Original Indenture and the form of Series Q Bond attached hereto as Schedule A.

IN WITNESS WHEREOF, PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE has caused this instrument to be executed and its corporate seal to be hereto affixed, by its officers, thereunto duly authorized, and U.S. BANK NATIONAL ASSOCIATION has caused this instrument to be executed by its officers thereunto duly authorized, all as of the day and year first above written but actually executed on ____________, 20__.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By: ____________________________
Randy A. Shoop
Vice President and Treasurer

CORPORATE SEAL

Attest:

____
O. Kay Comendul
Assistant Secretary

Signed, sealed and delivered by Public Service Company of New Hampshire in the presence of us:

____

____

Witnesses

STATE OF CONNECTICUT)
) ss: Hartford
COUNTY OF HARTFORD)

Then personally appeared before me Randy A. Shoop, Vice President and Treasurer, and O. Kay Comendul, Assistant Secretary, of Public Service Company of New Hampshire, a New Hampshire corporation, and severally acknowledged the foregoing instrument to be their free act and deed in their said capacities and the free act and deed of said corporation.

Witness my hand and notarial seal this _____ day of ________, 20__, at Hartford, Connecticut.

Name:
Notary Public
My Commission Expires

(Notarial Seal)

U.S. BANK NATIONAL ASSOCIATION
as Trustee as aforesaid

By: ______________________________
Stephanie Roche
Vice President

Attest:

____
Name:
Title:

Signed and delivered by
U.S. Bank National Association
in the presence of us:

____

____

Witnesses

STATE OF NEW JERSEY)
) ss: Morristown
COUNTY OF MORRIS

Then personally appeared before me Stephanie Roche, Vice President of U.S. Bank National Association, a national banking association, and acknowledged the foregoing instrument to be her free act and deed in her said capacity and the free act and deed of said association.

Witness my hand and notarial seal this _____ day of _____, 20__, at Morristown, New Jersey.

Name:
Notary Public
My Commission Expires

(Notarial Seal)

SCHEDULE A
(FORM OF FACE OF SERIES Q BONDS)

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND HEREIN, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

Unless this Global Security is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Public Service Company of New Hampshire or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
FIRST MORTGAGE BOND, SERIES Q
PRINCIPAL DUE __________, 20__

CUSIP No. 744538-

No. 1

$______________

FOR VALUE RECEIVED, PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, a corporation organized and existing under the laws of the State of New Hampshire (hereinafter called the "Company", which term includes any successor corporation under the Indenture), hereby promises to pay to Cede & Co., or registered assigns, subject to the conditions set forth herein, the principal sum of __________________ Dollars ($__________), on __________, 20__, and to pay interest on said sum semiannually in arrears, on June 1 and __________ in each year (each, an "Interest Payment Date") (except that the final Interest Payment Date will be __________, 20__), commencing on June 1, 2010 at the rate of ___% per annum, until the Company's obligation with respect to said principal sum shall be paid or made available for payment, and at the rate of ____% per annum on any overdue principal and premium and on any overdue installment of interest.

This Series Q Bond shall bear interest as aforesaid from, and including, the date of original issuance to, and excluding, the first Interest Payment Date and then from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the maturity date, as the case may be. The amount of interest payable will be computed on the basis of a 360-day year consisting of twelve 30-day months.

In any case where any Interest Payment Date, maturity or redemption date is not a Business Day, then payment of principal and interest, if any, or principal and premium, if any, payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), in each case with the same force and effect as if made on such date. A "Business Day" shall mean any day, except a (i) Sunday or a legal holiday, or (ii) a day on which banking institutions are authorized pursuant to law to close and on which the corporate trust offices of the Trustee in Minnesota or New Jersey are not open for business.

Payment of the principal of and any interest on this Series Q Bond will be made at the corporate trust office of the Trustee at U.S. Bank National Association in Morristown, New Jersey or the corporate trust office of its successors, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The interest on this Series Q Bond shall be payable without presentation, and only to or upon the person in whose name the Series Q Bonds are registered at the close of business on the Business Day prior to each Interest Payment Date.

The Company has initially designated DTC as the depository for this Series Q Bond issued in the form of a Global Security. For as long as this Series Q Bond or any portion hereof is in the form of a Global Security, and notwithstanding the previous paragraph, all payments of interest, principal and other amounts in respect of this Series Q Bond shall be made to DTC or its nominee in accordance with its applicable policies and procedures, in the coin or currency specified above.

Reference is hereby made to the further provisions of this Series Q Bond set forth on the reverse hereof, including without limitation provisions in regard to the redemption and the registration of transfer and exchangeability of this Series Q Bond, and such further provisions shall for all purposes have the same effect as though fully set forth in this place.

As set forth in the Supplemental Indenture establishing the terms and series of the Bonds of this series, each holder of a Series Q Bond, solely by virtue of its acquisition thereof, including as an owner of a book-entry interest therein, shall have and be deemed to have consented, without the need for any further action or consent by such holder, to the amendment and restatement of the Original Indenture in substantially the form set forth in Schedule C appended to the Fifteenth Supplemental Indenture dated as of September 1, 2007 (the "Amended and Restated Indenture"), with such additions, deletions, and other changes made to such form prior to the time of such amendment and restatement ("Future Changes") (1) that add to the covenants of the Company in the Amended and Restated Indenture, or surrender rights or powers of the Company therein, for the benefit of the holders of the outstanding bonds issued under the Original Indenture, (2) as shall be requested by the Trustee and its counsel, (3) as may be requested by the New Hampshire Public Utilities Commission or other regulatory authority having jurisdiction over the Company, or (4) otherwise, as shall be proposed by the Company after the date of the execution and delivery of the Eighteenth Supplemental Indenture, *provided* that (a) in the case of any Future Change described in clause (4), such Future Change is not, in the reasonable judgment of the Company, inconsistent with the fundamental structure and terms of the Amended and Restated Indenture, and (b) in the case of any Future Change described in clause (3) or (4), such Future Change does not, in the reasonable judgment of the Company, adversely affect in any material respect the interests of the holders of the bonds issued under the Original Indenture. To become effective under the existing Indenture, most of the changes in the Amended and Restated Indenture require the consent of the holders of not less than a majority in principal amount of all bonds of the Company then outstanding under the Indenture. Effective with the issuance of the Series Q Bonds, as a result of having obtained the consent of not less than a majority in principal amount of all bonds outstanding under the Indenture, these changes have become effective.

This Series Q Bond shall not become or be valid or obligatory until the certificate of authentication hereon shall have been signed by U.S. Bank National Association (hereinafter with its successors as defined in the Indenture (as defined on the reverse hereof), generally called the Trustee), or by such a successor.

[The remainder of this page left blank intentionally.]

IN WITNESS WHEREOF, Public Service Company of New Hampshire has caused this Series Q Bond to be executed in its corporate name and on its behalf by its Vice President and Treasurer by his signature or a facsimile thereof, and its corporate seal to be affixed or imprinted hereon and attested by the manual or facsimile signature of its Assistant Secretary.

Dated as of ____________, 20__

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By: ______________________________
Randy A. Shoop
Vice President and Treasurer

Attest:

____
Name
Title:

[FORM OF TRUSTEE'S CERTIFICATE]

U.S. Bank National Association hereby certifies that this Series Q Bond is one of the bonds described in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, TRUSTEE

By: ______________________________
Name:
Title: Authorized Signatory

[FORM OF REVERSE OF SERIES Q BOND]
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
First Mortgage Bond, Series Q, due __________, 20__

This Series Q Bond is one of a series of bonds known as the "First Mortgage Bonds, Series Q" of the Company, initially limited to _____________ Dollars ($__________) in aggregate principal amount, and issued under and pursuant to a First Mortgage Indenture between the Company and U.S. Bank National Association as successor to Wachovia Bank, National Association and by merger to First Union National Bank, formerly known as First Fidelity Bank, National Association, New Jersey, successor to Bank of New England, National Association (formerly known as New England Merchants National Bank), and to New Bank of New England, National Association, as Trustee, dated as of August 15, 1978, as amended, and pursuant to which U.S. Bank, National Association is now Successor Trustee (said First Mortgage Indenture (i) as amended by the Tenth Supplemental Indenture thereto, being hereinafter generally called the "Original Indenture," and (ii) together with all indentures expressly stated to be supplemental thereto, and each and every other instrument including the Eighteenth Supplemental Indenture pursuant to which the Series Q Bonds are being issued, being hereinafter generally called the "Indenture"), and together with all bonds of all series now outstanding or hereafter issued under the Indenture being equally and ratably secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture, may afford additional security for the bonds of any particular series) by the Indenture, to which Indenture (executed counterparts of which are on file at the corporate trust office of the Trustee in Morristown, New Jersey) reference is hereby made for a description of the nature and extent of the security, the rights thereunder of the holders of bonds issued and to be issued thereunder, the rights, duties and immunities thereunder of the Trustee, the rights and obligations thereunder of the Company, and the terms and conditions upon which Bonds of this series, and bonds of other series, are issued and are to be issued; but neither the foregoing reference to the Indenture nor any provision of this Series Q Bond or of the Indenture shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay at the maturities herein provided the principal of and interest on this Series Q Bond as herein provided.

The Series Q Bonds shall be initially issued in the form of one or more global securities (the "Global Securities"). Each Global Security will be deposited with, or on behalf of, The Depository Trust Company, as depository ("DTC"), and registered in the name of Cede & Co., a nominee of DTC. In the event certificated bonds in definitive form are issued in exchange for the Global Securities they are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof.

The Series Q Bonds, while in the form of Global Securities, may not be transferred except as a whole (1) by DTC to a nominee of DTC or (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor. If (1) DTC is at any time unwilling or unable to continue as depository and a successor depository is not appointed by the Company within ninety days or (2) there shall have occurred and be continuing after any applicable grace periods an Event of Default under the Indenture with respect to the Series Q Bonds represented by such Global Security, the Company will issue certificated bonds in definitive registered form in exchange for the Global Securities representing the Series Q Bonds.

The Company may at any time and in its sole discretion determine not to have any Series Q Bonds in registered form represented by one or more Global Securities and, in such event, will issue certificated bonds in definitive form in exchange for the Global Securities representing the Series Q Bonds. In any such instance, an owner of a beneficial interest in the Global Securities will be entitled to physical delivery in definitive form of certificated bonds represented by the Global Securities equal in principal amount to such beneficial interest and to have such certificated bonds registered in its name.

In the event certificated bonds are issued in exchange for the Global Securities, the Series Q Bonds may be surrendered for registration of transfer as provided in Section 2.8 of the Original Indenture at the corporate trust office of the Trustee at U.S. Bank National Association in Morristown, New Jersey or the corporate trust offices of its successors, and may be surrendered at said office for exchange for a like aggregate principal amount of Series Q Bonds of other authorized denominations. Notwithstanding the provisions of Section 2.7 of the Original Indenture, no charge, except for taxes or other governmental charges, shall be made by the Company for any registration of transfer of Series Q Bonds or for the exchange of any Series Q Bonds for such bonds of other authorized denominations.

The Series Q Bonds are subject to redemption, in whole or in part, at the option of the Company at any time. If the Company elects to redeem the Series Q Bonds, it will do so at a redemption price equal to the greater of (x) one hundred percent (100%) of the principal amount of Series Q Bonds being redeemed, plus accrued interest thereon to the redemption date, or (y) as determined by the Quotation Agent, the sum of the present value of the remaining scheduled payments of principal and interest on the Series Q Bonds to be redeemed (not including any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate plus _______ (__) basis points, plus accrued interest to the redemption date. The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

The Company shall notify the Trustee in writing, not less than forty-five (45) days, or such shorter period as shall be acceptable to the Trustee, of any such election to redeem. Such notice shall include the amount of Series Q Bonds to be redeemed, the redemption date and redemption price.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Series Q Bonds that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Series Q Bonds.

"Comparable Treasury Price" means, with respect to any redemption date: (i) the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

"Quotation Agent" means the Reference Treasury Dealer appointed by the Company.

"Reference Treasury Dealer" means a primary U.S. Government securities dealer in New York, New York selected by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that redemption date.

Notice of any redemption will be provided at least 30 days but not more than 60 days before the redemption date to each holder of the Series Q Bonds to be redeemed.

Absent a default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Series Q Bonds or portions of the Series Q Bonds called for redemption.

If less than all of the Series Q Bonds are to be redeemed, the Trustee will select the Series Q Bonds to be redeemed by a method that the Trustee deems fair and appropriate and which may provide for the selection for the redemption of portions (equal to $1,000 or any multiple thereof) of the principal amount of the Series Q Bonds larger than $1,000. Notice of redemption will be mailed, first-class mail postage prepaid, to each holder of Series Q Bonds to be redeemed at the holder's address in the register for the Series Q Bonds. If any Series Q Bonds are to be redeemed in part only, the notice of redemption that relates to that Series Q Bond will state the portion of the principal amount of that Series Q Bond to be redeemed. In that case, the Company will issue new Series Q Bonds of any authorized denomination, as requested, in an aggregate principal amount equal to the unredeemed portion of such Series Q Bond, in the name of the holder upon cancellation of the original Series Q Bond. Series Q Bonds or portions of Series Q Bonds to be redeemed become due on the redemption date, and interest will cease to accrue on those Series Q Bonds or portions of Series Q Bonds on the redemption date.

The Series Q Bonds are not subject to any sinking fund.

If the Series Q Bonds are called in whole or in part, and if moneys have been duly deposited or otherwise made available to the Trustee for redemption hereof, or of the part hereof so called, as required in the Indenture, this Series Q Bond or such called part hereof, shall be due and payable on the date fixed for redemption and thereafter this Series Q Bond, or such called part hereof, shall cease to bear interest on the date fixed for redemption and shall cease to be entitled to the lien of the Indenture, and, as respects the Company's liability hereon, this Series Q Bond, or such called part hereof, shall be deemed to have been paid; but, if less than the whole principal amount hereof shall be so called, the holder hereof shall be entitled, in addition to the sums payable on account of the part called, to receive, without expense to such holder, upon surrender hereof, one or more Series Q Bonds of this series for an aggregate principal amount equal to that part of the principal amount hereof not then called and paid.

If an Event of Default shall have occurred and be continuing, the principal of the Series Q Bonds may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee to effect, by supplemental indenture, certain modifications of the Indenture without any consent of the holders of the bonds, and to effect certain other modifications of the Indenture, and of the rights of the holders of the bonds, with the consent of the holders of not less than a majority in aggregate principal amount of all bonds issued under the Indenture at the time outstanding, or in case one or more, but less than all, of the series of said bonds then outstanding are affected, with the consent of the holders of not less than a majority in aggregate principal amount of said outstanding bonds of each series affected.

No reference herein to the Indenture and no provision herein or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest, including overdue interest, on this Series Q Bond at the time, place and rate, and in the coin or currency, herein prescribed.

This Series Q Bond shall be exchangeable for securities registered in the names of holders other than DTC or its nominee only as provided in this paragraph. This Series Q Bond shall be so exchangeable if (x) DTC notifies the Company that it is unwilling or unable to continue as depository or at any time ceases to be a clearing agency registered as such under the Securities Exchange Act of 1934, (y) the Company executes and delivers to the Trustee an Officers' Certificate providing that this Series Q Bond shall be so exchangeable or (z) there shall have occurred and be continuing an Event of Default with respect to the Series Q Bonds. Certificated securities so issued in exchange for the Global Security representing the Series Q Bonds shall be of the same series, have the same interest rate, if any, and maturity and have the same terms as the Global Security representing the Series Q Bonds, in authorized denominations and in the aggregate having the same principal amount as the Global Security representing the Series Q Bonds and registered in such names as the depository for such Global Security representing the Series Q Bonds shall direct.

Series Q Bonds not represented by a Global Security are transferable by the registered owner hereof upon surrender hereof at the corporate trust office of the Trustee, together with a written instrument of transfer in approved form, signed by the owner or his duly authorized attorney, and a new Series Q Bond or Bonds for a like principal amount will be issued in exchange, all as provided in the Indenture. Prior to due presentment for registration of transfer of this Bond, the Company and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof, whether or not such Series Q Bond shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

Series Q Bonds not represented by a Global Security are exchangeable at the option of the registered holder hereof upon surrender hereof, at the corporate trust office of the Trustee in Morristown, New Jersey or the corporate trust offices of its successors, for an equal principal amount of bonds of this series of other authorized denominations, in the manner and on the terms provided in the Indenture.

Notwithstanding the provisions of Section 2.7 of the Original Indenture, no charge, except for taxes or other governmental charges, shall be made by the Company for any registration of transfer of Series Q Bonds or for the exchange of any Series Q Bonds for such bonds of other authorized denominations.

Neither the failure to give any notice nor any defect in any notice given to the holder of the Global Securities or Series Q Bonds not represented by a Global Security, will affect the sufficiency of any notice given to any other holder.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this Series Q Bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator or against any stockholder, director or officer, past, present or future, as such, of the Company or any affiliate of the Company, or of any predecessor or successor company, either directly or through the Company, or such predecessor or successor company or any trustee, receiver or assignee or otherwise, under any constitution, or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors or officers, as such, being waived and released by the holder and owner hereof by the acceptance of this Series Q Bond and as part of the consideration for the issuance hereof and being likewise waived and released by the terms of the Indenture.

[END OF FORM OF REVERSE OF SERIES Q BOND]

SCHEDULE B

Description of Certain Properties
Acquired
Since December 1, 2009

The following deeds and conveyances, recorded in the Registries of Deeds in the Counties in New Hampshire indicated, contain descriptions of certain properties acquired in fee simple by the Company since December 1, 2009.

Grantor	Date	Book/Page	County/Town

ENDORSEMENT

U.S. Bank National Association, Trustee, being the mortgagee in the foregoing Supplemental Indenture, hereby consents to the cutting of any timber standing upon any of the lands covered by said Supplemental Indenture and to the sale of any such timber so cut and of any personal property covered by said Supplemental Indenture to the extent, but only to the extent, that such sale is permitted under the provisions of the Original Indenture as referred to in, and as amended by, the Tenth Supplemental Indenture thereto dated as of May 1, 1991, the Twelfth Supplemental Indenture dated as of December 1, 2001, the Thirteenth Supplemental Indenture dated as of July 1, 2004, the Fourteenth Supplemental Indenture dated as of October 1, 2005, the Fifteenth Supplemental Indenture dated as of September 1, 2007, the Sixteenth Supplemental Indenture dated as of May 1, 2008, the Seventeenth Supplemental Indenture dated as of December 1, 2009, and the Eighteenth Supplemental Indenture dated as of __________, 20__.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee as aforesaid

By:________________________________
Stephanie Roche
Vice President

Signed and acknowledged
on behalf of U.S. Bank National Association
in the presence of us:

____

____
Witnesses

PROMISSORY DEMAND NOTE

$ [Date]

FOR VALUE RECEIVED, the undersigned, [BORROWER], a Connecticut corporation (the "Company"), hereby promises to pay to Northeast Utilities, the principal sum of [Amount] 00/100 Dollars ($), or so much of the outstanding portion thereof as shall have been advanced to the Company hereunder and not theretofore repaid, on demand, in lawful money of the United States of America in immediately available funds, with interest on the principal sum outstanding hereunder from time to time (computed on a 360-day year of twelve thirty-day months), payable quarterly from the date hereof until the said principal sum or the unpaid portion thereof shall have been paid in full.

This Note evidences the obligation of the Borrower (a) to repay the principal amount of the loan made by Northeast Utilities to the Company; (b) to pay interest, as herein provided, on the principal amount hereof remaining unpaid from time to time; and (c) to pay other amounts which may become due and payable hereunder. The unpaid principal under this note shall bear interest at the rate of ____ percent (%) per annum, which shall accrue monthly and be compounded annually.

The Company irrevocably authorizes Northeast Utilities to make or cause to be made appropriate notations on the grid attached to this Note as Schedule A, or the continuation of such grid, or any other similar record, reflecting such advances, interest rates, payments and other details as shall accurately reflect the transactions contemplated hereby, *provided, however,* that any failure to record, or any error in so recording, any such data on any such grid, continuation or other record shall not limit or otherwise affect the obligation of the Company hereunder to make payments of principal of and interest on this Note when due.

IN WITNESS WHEREOF, the undersigned has caused this Note to be signed in its corporate name by its duly authorized officer as of the day and year first above written.

[BORROWER]

By:______________________________
Name:
Title:

Schedule A

Principal Advance and Payment Grid

Date of Advance	Amount of Advance	Interest Rate	Interest Period	Number of Days	Interest Due	Date Paid	Amount Paid	Notation Made by

Summary of Terms and Conditions

US$400,000,000 Amended and Restated Revolving Credit Facility

Borrowers: The Connecticut Light and Power Company ("*CL&P*"), Western Massachusetts Electric Company ("*WMECO*"), Yankee Gas Services Company ("*Yankee*") and Public Service Company of New Hampshire ("*PSNH*").

Purpose: For the general corporate purposes of the Borrowers.

Type / Amount: Five year revolving credit facility (the "*Facility*"), in an aggregate amount of up to US$400,000,000 (the "*Commitment*"), which shall amend and restate that certain Credit Agreement, dated as of November 8, 2004 and amended as of June 30, 2005 (an "*Existing Facility*"), among the Borrowers, as borrowers, the lenders party thereto and Citicorp USA, Inc. ("*CUSA*"), as administrative agent. Subject to the aggregate limitation on the amount available under the Facility, up to $200 million of the Commitment will be available to CL&P, up to $100 million of the Commitment will be available to WMECO, up to $100 million of the Commitment will be available to Yankee and up to $100 million of the Commitment will be available to PSNH (as to each Borrower, its "*Borrower Sublimit*").

Joint Lead Arrangers and Bookrunners: Citigroup Global Markets Inc. and J.P. Morgan Securities Inc.

Administrative Agent: CUSA.

Syndication Agent: JPMorgan Chase Bank, N.A. ("*JPMorgan Chase*").

Documentation Agent: [____________].

Lenders: CUSA, JPMorgan Chase and a syndicate of lenders acceptable to the Borrowers and the Joint Lead Arrangers.

Closing Date: December 7, 2005.

Term of the Facility: Until November 6, 2010 (the "*Termination Date*"). All Advances (as defined below) under the Facility will be repayable no later than on the earlier of (i) the last day of a term, if any, specified in a notice of borrowing and (ii) the Termination Date.

Extension of The Borrowers may request that the Commitment be renewed for additional

Termination Date: one year periods by providing notice of such request to the Administrative Agent no earlier than 45 days but no later than 30 days prior to November 6, 2006 or any anniversary thereof (each, a "***Noticed Anniversary Date***"). If a Lender agrees, in its individual and sole discretion, to renew its commitment (an "***Extending Lender***"), it will notify the Administrative Agent, in writing, of its decision to do so no earlier than 30 days prior to the applicable Noticed Anniversary Date (but in any event no later than 20 days prior to such Noticed Anniversary Date). The Administrative Agent will notify the Borrowers, in writing, of the Lenders' decisions no later than 15 days prior to such Noticed Anniversary Date. The Extending Lenders' commitments will be renewed for an additional year from the then existing Termination Date, provided that (i) more than 50% of the Commitment is extended or otherwise committed to by Extending Lenders and any new Lenders and (ii) all representations and warranties are true and correct on such date. Any Lender that declines the Borrowers' request for Commitment renewal (a "***Declining Lender***") will have its commitment terminated on the then existing Termination Date (without regard to any renewals by other Lenders). The Borrowers will have the right to accept commitments from third party financial institutions acceptable to the Administrative Agent in an amount equal to the amount of the commitments of any Declining Lenders, provided that the Extending Lenders will have the right to increase their commitments up to the amount of the Declining Lenders' commitments before the Borrowers will be permitted to substitute any other financial institutions for the Declining Lenders. The Borrowers may only so extend the Termination Date twice.

Availability: Funds under the Facility will be available as "LIBOR Advances" (bearing interest at LIBOR + Applicable Margin) and "Base Rate Advances" (bearing interest at the Alternate Base Rate (as defined below) + Applicable Margin), collectively the "***Advances***".

Pricing: The relevant Borrower may select either of:

Interest Rate Options:

(i) Alternate Base Rate (which is a fluctuating rate *per annum* equal at all times to the higher of (i) the Administrative Agent's (or its banking affiliate's) publicly announced "base" rate, and (ii) a rate equal to 1/2 of 1% *per annum* above the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers) plus the Applicable Margin.

(ii) 1, 2, 3 or 4-month (each, an "***Interest Period***" for LIBOR Advances, as selected by the relevant Borrower) LIBOR plus the Applicable Margin.

Each Borrower may designate a term (which in no event shall end later than the Termination Date) for any Borrowing made to it, beyond which such Borrowing may not be outstanding. Interest on LIBOR Advances and on Base

Rate Advances that are based on the Federal Funds Rate and all fees will be computed on the basis of a year of 360 days. Interest on Base Rate Advances that are based on the Administrative Agent's (or its banking affiliate's) base rate will be computed on the basis of a year of 365/366 days.

Interest on each LIBOR Advance will be payable on the last day of the Interest Period applicable thereto and on the Termination Date, but in no event less frequently than quarterly.

Interest on each Base Rate Advance will be payable quarterly on the last day of each March, June, September and December and on the Termination Date.

Applicable Rating Level: The Applicable Rating Level for each Borrower will be based on the Reference Ratings (as defined in Appendix 1) applicable to such Borrower, in accordance with the following:

Applicable Rating Level	**S&P**		**Moody's**
Level I	A- or higher	OR	A3 or higher
Level II	BBB+	OR	Baa1
Level III	BBB	OR	Baa2
Level IV	BBB-	OR	Baa3
Level V	BB+ or lower (or unrated)	OR	Ba1 or lower (or unrated)

The Applicable Rating Level for each Borrower shall change as and when the relevant Reference Ratings change. In the event that any Borrower has outstanding long-term unsecured or secured debt and both Moody's and S&P, or their successors, as applicable, shall have ceased to issue or maintain Reference Ratings on such long-term unsecured debt (or long-term secured debt if no long-term unsecured debt is then outstanding), then the Applicable Rating Level for such Borrower shall be the lowest Applicable Rating Level. If the ratings assigned by S&P and Moody's differ (i) by one level, then the level corresponding to the higher of such ratings shall be used to determine the Applicable Rating Level and (ii) by more than one level, then the level that is one below the level corresponding to the higher of such ratings shall be used to determine the Applicable Rating Level, unless the lower of such ratings is below "investment grade", in which case the Applicable Rating Level shall be Level V.

Default rate is the rate otherwise in effect plus 2.0% or, if higher, the Base

Rate plus the Applicable Margin plus 2.0%.

Applicable Margin: The Applicable Margin for each Borrower under the Facility is based on the Applicable Rating Level for such Borrower.

Applicable Margin		
Applicable Rating Level	**LIBOR Advances**	**Base Rate Advances**
Level I	0.170%	0%
Level II	0.300%	0%
Level III	0.375%	0%
Level IV	0.500%	0%
Level V	0.800%	0%

The Applicable Margin for Levels I through IV shall be increased by 0.100%, and for Level V shall be increased by 0.125%, at any time when more than one half of the Commitment is utilized.

Facility Fee: Facility Fee for each Borrower equal to the product of (i) the Commitment (whether used or unused), (ii) such Borrower's Fraction (as defined in Appendix 1) and (iii) the Facility Fee Rate set forth next to the Applicable Rating Level for such Borrower in the grid below:

Applicable Rating Level	Facility Fee Rate
Level I	0.080%
Level II	0.100%
Level III	0.125%
Level IV	0.150%
Level V	0.200%

The Facility Fee is payable quarterly in arrears.

Other Borrowing Terms: The relevant Borrower must provide the following periods of notice to the Administrative Agent prior to any proposed date of borrowing:

LIBOR Advances: Three LIBOR business days.

Base Rate Advances: Same domestic business day.

Each LIBOR Advance shall be in a minimum amount of US$5,000,000 or an increment of US$1,000,000 in excess thereof.

Prepayment:

Advances may be prepaid at any time, in a minimum amount of US$5,000,000 or an increment of US$1,000,000 in excess thereof in the case of LIBOR Advances. Prepayments of LIBOR Advances other than at the end of an Interest Period will be subject to reimbursement to the Lenders for any "breakage" or redeployment costs.

Advances shall be prepaid by a Borrower at any time to the extent that the outstanding amount of Advances made to such Borrower at such time exceeds the amount of the Commitment allocable to such Borrower at such time, together with interest and any relevant redeployment costs.

Optional Commitment Reduction / Termination/Increase:

At the option of the Borrowers, the Commitment may at any time be permanently terminated, or reduced in a minimum amount of US$5,000,000 or an increment of US$1,000,000 in excess thereof, on a *pro rata* basis to each Lender.

The Borrowers may from time to time increase the Commitment that could be utilized by any Borrower, up to a maximum aggregate Commitment of $500,000,000, by designating one or more Lenders or other financial institutions reasonably acceptable to the Administrative Agent, which Lender(s) and/or financial institution(s) shall have agreed to accept all or a portion of such additional Commitment. It shall be a condition precedent to each such increase that all representations and warranties be true and correct on the date of such increase.

Conditions Precedent to Closing:

Usual for transactions of this type, including, without limitation:

(i) Receipt of such evidence of corporate authority and authorization as the Joint Lead Arrangers and the Lenders may reasonably request.

(ii) Receipt of all governmental and third party approvals required to be obtained in connection with the Facility.

(iii) Receipt of favorable legal opinions from counsel (which may be internal) to the Borrowers in form and substance satisfactory to the Joint Lead Arrangers.

(iv) Receipt of other favorable legal opinions from special or local counsel as may be required by the Joint Lead Arrangers and Administrative Agent in form and substance satisfactory to the Joint Lead Arrangers and Administrative Agent.

(v) All representations and warranties are true and correct and no Event of Default described below or event that, with the giving of notice or passage of time or both, would constitute an Event of Default (such event, a "***Default***") has occurred and is continuing.

(vi) The Joint Lead Arrangers and Administrative Agent shall have received payment in full of all fees and expenses owed by the Borrowers in connection with the Facility.

Conditions Precedent to Each Advance:

Usual for facilities of this type, including, without limitation:

(i) All representations and warranties (other than Representations and Warranties (vii) and (viii) below) of the relevant Borrower shall be true and correct on and as of the date of such Advance; and

(ii) No Default or Event of Default in respect of such Borrower shall have occurred and shall be continuing on such date.

Representations and Warranties:

Customary for transactions of this type, including, but not limited to, the following:

(i) Corporate status and authority of each Borrower.

(ii) Non-contravention of charter and by-laws or existing agreements of such Borrower.

(iii) No violation of law (except as disclosed).

(iv) All governmental and regulatory approvals required in connection with the Facility duly obtained and in full force and effect.

(v) Legality, validity, binding effect and enforceability of all documents.

(vi) Financial statements fairly present financial condition and results of operations of such Borrower.

(vii) Since June 30, 2005, there has been no material adverse change in the financial condition, business, operations, properties, or prospects of such Borrower, except as disclosed in the Disclosure Documents (as defined in Appendix 1).

(viii) No litigation or other proceeding pending or overtly threatened affecting the Facility, and except as disclosed in the Disclosure Documents, no such litigation or proceedings that, if adversely determined, would have a material adverse effect on such Borrower's financial condition, results of operations, properties, or prospects.

(ix) Compliance in all material respects with ERISA.

(x) Adequacy of title to material properties.

(xi) Ownership of capital stock; holding company status.

(xii) Payment of taxes, and filing of required tax returns.

(xiii) No materially misleading information or material omission in information provided by such Borrower.

(xiv) Use of proceeds; investment company status; compliance with margin stock regulations.

(xv) Adequacy of insurance.

(xvi) Solvency.

(xvii) Advances are not "reportable transactions" under treasury regulation 1.6011-4.

Affirmative Covenants:

Customary for transaction of this type, including, but not limited to, the following for each Borrower:

(i) Use of proceeds.

(ii) Payment of taxes.

(iii) Maintenance of insurance.

(iv) Preservation of corporate existence.

(v) Notwithstanding Negative Covenant (ii) below, restrictions on disposal of any generation, transmission or distribution assets in excess of 15% of the net utility plant assets of such Borrower, except in accordance with restructuring plans approved by appropriate regulatory authorities.

(vi) Material compliance with laws.

(vii) Inspection of books, records and properties.

(viii) Keeping of books and records.

(ix) Remain in same lines of business (except as otherwise provided in

"Negative Covenants" below).

(x) Maintenance of properties; provided that each Borrower may discontinue the operation or maintenance of any property if, in its sole judgment, such discontinuance would not materially adversely affect its financial condition, properties, prospects or operations.

(xi) Acquisition and maintenance of material governmental approvals.

(xii) Further assurances.

Negative Covenants: Customary for transactions of this type, including, but not limited to, the following for each Borrower, with appropriate exceptions to permit consummation of previously announced mergers, asset sales and restructuring activities (provided that any material deviation from the terms of such transactions or activities shall be subject to the approval of the Joint Lead Arrangers):

(i) Prohibition on liens other than Permitted Liens (as defined in Appendix 1).

(ii) Limitations on mergers, consolidations, purchase of stock or assets or sale of a "Substantial Part" (as defined below) of its assets; *provided that,* so long as (x) no Default or Event of Default has occurred and is continuing and (y) all required approvals have been obtained, (A) direct or indirect subsidiaries of a Borrower may merge or consolidate with wholly-owned direct or indirect subsidiaries of such Borrower so long as, in any such case, the wholly-owned subsidiary is the survivor; (B) direct or indirect subsidiaries of a Borrower may be merged or consolidated with such Borrower so long as such Borrower is the survivor; (C) a Borrower or any direct or indirect subsidiary of such Borrower may merge or consolidate with an unaffiliated company so long as (1) such Borrower or direct or indirect subsidiary is the survivor of such merger or consolidation, (2) such Borrower demonstrates *pro forma* compliance with the Financial Covenant set forth below, and (3) such Borrower's indicative credit ratings from S&P and Moody's in contemplation of such merger and such Borrower's actual credit ratings from S&P and Moody's following any such merger or consolidation remain at the levels established immediately prior to the merger or at a higher level; (D) a Borrower and its wholly-owned subsidiaries may acquire interests in other persons that are principally engaged in an activity permitted under the Public Utility Holding Company Act on the closing date; (E) CL&P, WMECO and PSNH may dispose of transmission assets to other directly or indirectly held subsidiaries of Northeast Utilities Company ("*NU*") as permitted, and to any other person as required, by appropriate regulatory authorities; (F) each Borrower may dispose of assets or security to, or merge into or with, other Borrowers; and (G) each Borrower may dispose of its assets in the ordinary course of business on customary terms (including any sale of accounts receivable on reasonable commercial terms, including at a commercially reasonable discount).

For the purposes of this paragraph (ii), a sale of a "Substantial Part" of a Borrower's assets shall be any sale (whether in one transaction or a series of transactions) of assets, (A) the book value of which represents more than 15% (determined at the time of each such transaction) of the book value of assets (net of regulatory assets) of such Borrower (determined by reference to the most recently delivered financial statements of such Borrower), or (B) the gross revenue associated with which accounts for more than 15% of the total gross revenue of such Borrower for the four preceding fiscal quarters (determined by reference to the most recently delivered financial statements of the Borrower), to any entity other than such Borrower or any of its wholly-owned direct or indirect subsidiaries.

(iii) Restrictions on termination of ERISA plans with resulting $1,000,000 liability, any reportable event that could reasonably result in a $1,000,000 liability, or any event that could reasonably result in the foregoing.

(iv) Restrictions on transactions with affiliates.

(v) Restrictions on acquisitions of interests in nuclear plants.

Financial Covenant: Such Borrower will be required to maintain, on a consolidated basis, at all times a ratio of Consolidated Debt (as defined in Appendix 1) to Total Capitalization (as defined in Appendix 1) of no more than 0.65 to 1.00.

Reporting Obligations: Customary for transactions of this type, including, but not limited to, the following for each Borrower:

(i) Notification of Defaults and Events of Default.

(ii) Delivery of (A) Forms 10-K, 10-Q and 8-K for each Borrower that is a '34 Act reporting company and delivery of such other business and financial information as the Administrative Agent may reasonably request and (B) audited annual financial statements and unaudited certified quarterly financial statements of Yankee.

(iii) Delivery of regulatory updates promptly upon the reasonable request of the Administrative Agent but not more than once per calendar quarter.

(iv) Notification of ERISA events.

(v) Notification of material litigation.

Events of Default:

Customary events of default include, but are not limited to, the following in respect of each Borrower:

(i) Failure by such Borrower to make any payment of principal under the Facility on or before the date such payment is due.

(ii) Failure by such Borrower to make any payment of interest, fees or other amounts under the Facility on or before two days after such payment is due.

(iii) Any representation or warranty made by such Borrower shall have been false or misleading in any material respect when made.

(iv) Failure by such Borrower to comply with any financial covenant, negative covenant or certain other covenants to be identified.

(v) Subject to 30 day grace period, failure by such Borrower to observe or perform any other covenant, basic term or other condition contained in any document related to the Facility.

(vi) (A) Default by such Borrower under Debt aggregating US$50,000,000 or more, if the effect is to accelerate or permit acceleration of such Debt, or (B) acceleration of such Debt.

(vii) Voluntary bankruptcy of such Borrower; involuntary bankruptcy of such Borrower if not dismissed, stayed or otherwise nullified within 90 days.

(viii) Any judgments for amounts aggregating in excess of US$50,000,000 are rendered against such Borrower, are unstayed and either (i) remain undischarged for 30 days or (ii) are enforced.

(ix) Any material provision of any document related to the Facility ceases to be valid and binding.

(x) NU shall cease to own at least 85% of the outstanding common stock of such Borrower, free and clear of liens.

(xi) Change of control events as follows: (a) any person or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall either (1) acquire beneficial ownership of more than 50% of any outstanding class of common stock of NU having ordinary voting power in the election of directors of NU or (2) obtain the power (whether or not exercised) to elect a majority of NU's directors or (b) the Board of Directors of NU shall not consist of a majority of Continuing Directors.

"***Continuing Directors***" shall mean the directors of NU on the effective date of the Facility and each other director of NU, if such other director's nomination for election to the Board of Directors of NU is recommended by a majority of the then Continuing Directors.

Participations and Assignments: Each Lender may, in its sole discretion, at any time grant participations in all or a portion of its rights and obligations under the Facility to other persons. Participations shall be without restrictions, and participants will have the same benefits as the Lenders with respect to yield protection, capital adequacy, reserve requirements, increased cost and withholding tax provisions.

Each Lender may assign all or a portion of its rights and obligations under the Facility (in minimum amounts of US$5,000,000 or, if less, its entire commitment) (i) to one or more other Lenders or their affiliates or, (ii) with the consent of the Borrowers (not to be unreasonably withheld) and the Administrative Agent, to one or more other financial institutions. During a Default or Event of Default, the consent of the Borrowers to such assignments will not be required. Each assignment will be subject to payment by the relevant Lender (or its transferee) to the Administrative Agent of a US$3,500 processing fee.

Each Lender may disclose information to prospective participants and assignees and share, at its option, any fees with such participants and assignees.

Yield Protection: The usual for facilities of this type, including, but not limited to, unavailability of funding, illegality, reserves if incurred, capital adequacy, redeployment costs and any other yield protection deemed necessary by the Joint Lead Arrangers.

Indemnification: Except for gross negligence or willful misconduct, the Borrowers will indemnify the Joint Lead Arrangers, Administrative Agent, Syndication Agent, Documentation Agent, the Lenders, and each of their respective affiliates and agents against all losses, liabilities, claims, damages or expenses relating to their loans, the documents related to the Facility, use of proceeds of Advances, or the Commitment, including, but not limited to, reasonable attorney's fees and settlement costs.

Expenses: Closing costs incurred by the Joint Lead Arrangers (including counsel fees, time charges and disbursements) will be for the account of the Borrowers, and will be payable whether or not the closing of the Facility occurs. Expenses, fees and costs incurred by the Lenders (other than the Joint Lead Arrangers) will be for their own accounts.

Legal Counsel:	King & Spalding LLP.
Majority Lenders:	Lenders that collectively hold participation percentages aggregating in excess of 50%.
Governing Law:	New York.

Appendix 1

Definitions

"Consolidated Debt" means, at any date for any Borrower, the total Debt of such Borrower and its subsidiaries as determined on a consolidated basis in accordance with generally accepted accounting principles.

"Debt" means, for any person, without duplication, (i) indebtedness of such person for borrowed money, including but not limited to obligations of such person evidenced by bonds, debentures, notes or other similar instruments (excluding stranded cost recovery obligations which are non-recourse to such person), (ii) obligations of such person to pay the deferred purchase price of property or services (excluding any obligation of such person to Dominion Resources, Inc. or its successor with respect to disposition of spent nuclear fuel burned prior to April 3, 1983), (iii) obligations of such person as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (iv) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iii), above, and (v) liabilities in respect of unfunded vested benefits under ERISA plans.

"Disclosure Documents" means, for any Borrower, as applicable: (i) such Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2004; (ii) its Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, June 30, and September 30, 2005; (iii) the Confidential Information Memorandum, dated October 2005, regarding the Facility, as distributed to the Administrative Agent and the Lenders, including, without limitation, all schedules and attachments thereto; and (iv) such Borrower's Current Reports on Form 8-K filed on

January 5, January 26, February 4, March 7, March 9, April 6, April 29 and October 13, 2005, and the amendments to such Borrower's Current Reports on Form 8-K filed on January 3 and April 6, 2005.

"First Mortgage Indentures" means (i) in the case of CL&P, the Indenture of Mortgage and Deed of Trust, dated as of May 1, 1921, from CL&P to Deutsche Bank Trust Company Americas, as successor trustee, as amended and supplemented, (ii) in the case of Yankee, the Indenture of Mortgage and Deed of Trust, dated as of July 1, 1989, between Yankee and The Bank of New York, as successor trustee, as in effect on the closing date and as amended and supplemented from time to time, (iii) in the case of WMECO, any first mortgage indenture entered into after the closing date on substantially the terms of the Old WMECO Indenture and covering substantially the same collateral, so long as such indenture and the lien created thereby are approved by the Massachusetts Department of Telecommunications and Energy, and (iv) in the case of PSNH, the First Mortgage Indenture, dated as of August 15, 1978, between PSNH and Wachovia Bank, National Association, as successor trustee, as amended and supplemented.

"Fraction" means, in respect of any Borrower as determined at any time, a fraction, the numerator of which shall be the Borrower Sublimit of such Borrower at such time, and the denominator of which shall be the sum of the Borrower Sublimits of all Borrowers at such time.

"Old WMECO Indenture" means the First Mortgage Indenture and Deed of Trust, dated as of August 1, 1954, from WMECO to State Street Bank and Trust Company, as successor trustee, as amended and supplemented.

"Permitted Liens" means, with respect to each Borrower, (i) any liens existing on the closing date; (ii) liens created by the First Mortgage Indentures, so long as by the terms thereof no "event of default" (howsoever designated) in respect of any bonds issued thereunder will arise upon the occurrence of a Default or Event of Default under the Facility; (iii) "Permitted Liens" or "Permitted Encumbrances" under the First Mortgage Indenture to which such Borrower is a party, in each case, to the extent such liens do not secure Debt (as defined in this Appendix 1) of such Borrower; (iv) any purchase money lien or construction mortgage on assets acquired or constructed after the closing date by such Borrower and any lien on any assets existing at the time of acquisition thereof by such Borrower or created within 180 days from the date of completion of such acquisition or construction; provided that such lien shall at all times be confined solely to the assets so acquired or constructed and any additions thereto; (v) any existing liens on assets owned on the closing date by such Borrower and liens existing on assets of a corporation or other going concern when it is merged into or with such Borrower or when substantially all of its assets are acquired by such Borrower; provided that such liens shall at all times be confined solely to such assets, or if such assets constitute a utility system, additions to or substitutions for such assets; (vi) liens resulting from legal proceedings being contested in good faith by appropriate legal or administrative proceedings by such Borrower, and as to which such Borrower, to the extent required by generally accepted accounting principles applied on a consistent basis, shall have set aside on its books adequate reserves; (vii) liens created in favor of the other contracting party in connection with advance or progress payments; (viii) any liens in favor of any state of the United States or any political subdivision of any such state, or any agency of any such state or political subdivisions, or trustee acting on behalf of holders of obligations issued by any of the foregoing or any financial institutions lending to or purchasing obligations of any of the foregoing, which lien is created or assumed for the purpose of financing all or part of the cost of acquiring or constructing the property subject thereto; (ix) liens resulting from conditional sale agreements, capital leases or other title retention agreements; (x) with respect to pollution control bond financings, liens on funds, accounts and other similar intangibles of such Borrower created or arising under the relevant indenture, pledges of the related loan agreement with the relevant issuing authority and pledges of such Borrower's interest, if any, in any bonds issued pursuant to such financings to a letter of credit bank or bond issuer or similar credit enhancer; (xi) liens granted on accounts receivable and regulatory assets in connection with financing transactions, whether denominated as sales or borrowings; (xii) any other liens incurred in the ordinary course of business otherwise than to secure Debt; and (xiii) any extension, renewal or replacement of liens permitted by clauses (i), (iii) through (v) and (vii) through (xi); provided, however, that the principal

amount of Debt secured thereby shall not, at the time of such extension, renewal or replacement, exceed the principal amount of Debt so secured and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the lien so extended, renewed or replaced or to other property of no greater value than the property which secured the lien so extended, renewed or replaced.

"***Reference Ratings***" means, with respect to a Borrower, the ratings assigned by S&P and Moody's to the long-term senior unsecured non-credit enhanced debt of such Borrower (the "***Borrower Debt***"); provided, that

(i) if neither S&P nor Moody's maintains a rating on the Borrower Debt of a Borrower because no such Borrower Debt is outstanding, then the "Reference Ratings" shall be based on the ratings assigned by S&P and Moody's to the long-term senior secured debt (the "***Secured Debt***") of such Borrower, but such ratings shall be deemed to correspond to an Applicable Rating Level that is one level lower than the level that would correspond to such Secured Debt ratings pursuant to the definition of "Applicable Rating Level";

(ii) if neither S&P nor Moody's (A) maintains a rating on the Borrower Debt of a Borrower because no such Borrower Debt is outstanding and (B) maintains a rating on the Secured Debt of a Borrower because no such Secured Debt is outstanding, then the "Reference Ratings" shall be based on such Borrower's long-term corporate/issuer ratings as maintained by S&P and Moody's.

"***Total Capitalization***" means, at any date for any Borrower, the sum of (i) Consolidated Debt of such Borrower and its subsidiaries, (ii) the aggregate of the par value of, or stated capital represented by, the outstanding shares of all classes of common and preferred shares of such Borrower and its subsidiaries and (iii) the consolidated surplus of such Borrower and its subsidiaries, paid-in, earned and other capital, if any, in each case as determined on a consolidated basis in accordance with generally accepted accounting principles consistent with those applied in the preparation of such Borrower's financial statements.

Northeast
Utilities System

Northeast Utilities System
Interest Rate Risk Management
Policies and Procedures

May 2009

Index

Section 1: Scope and Objectives

1.1 Scope

The following Interest Rate Risk Management Policies and Procedures (collectively Policies and Procedures) were developed by the Northeast Utilities Service Company (NUSCO) Treasury Department (Treasury Department) to establish controls and responsibilities of Treasury Department personnel in managing financial risks related to interest-rate movements which affect Northeast Utilities (NU) and its affiliate operating companies (NU System Companies), subject to all applicable NU Board of Trustees, the Boards of Directors of the NU System companies, and Regulatory approvals. The use of specific derivatives and parameters are described herein as they relate to the execution of an Interest Rate Risk Management Transaction (IRRM Transaction) with one or more authorized counterparties.

1.2 Strategy

The Treasury Department seeks to actively manage interest rate risks of all NU System Companies through the use of IRRM Transactions. With active management of the NU System Companies' debt portfolios within the parameters of these Policies and Procedures, the goal is to manage the financial position of the NU System Companies in line with the objectives below.

1.3 Objectives

To meet the strategy as described in Section 1.2, the Treasury Department developed these Policies and Procedures to accomplish one or more of the following objectives:

1) Minimize loss on prospective issuances of long-term debt attributable to rising interest rates,
2) Manage interest rate exposures / risk profile, and
3) Reduce earnings volatility related to movements in interest rates.

Section 2: Responsibilities

2.1 Board Authority

These Policies and Procedures, as they may be amended from time to time, were approved by the NU Board in July 2005 and the respective Boards of each NU System Company in April 2003, and in December 2007, These Boards extended the authorization for the respective officers to enter into IRRM Transactions through December 31, 2012. The NU Board will authorize all IRRM Transactions for NU. The Boards of the NU System Companies will each authorize all IRRM Transactions for their respective company.

2.2 Chief Financial Officer

2.2.1 Subject to and in accordance with Sections 2.1 and 2.2, the Chief Financial Officer (CFO) of NUSCO is responsible for overseeing these Policies and Procedures and their implementation. The CFO will report on these Policies and Procedures to the Chief Executive Officer (CEO) of NU and to the Finance Committee of the NU Board and/or to the Boards of NU System Companies annually, or at such times and in such manners as the CFO shall deem necessary, or as such Boards shall reasonably request.

2.2.2 The CFO will review these Policies and Procedures on at least an annual basis and as material changes to it are needed, including changes to any parameters detailed in the accompanying appendices, and approve such changes as he deems necessary or appropriate.

2.2.3 The CFO must also promptly notify the NU Board regarding any:

1) Material changes in the amount or type of interest rate risk incurred by the NU System as a whole,
2) Material proposed or actual changes to these Policies and Procedures, and
3) Material breaches or violations of these Policies and Procedures.

2.3 Vice President and Treasurer

2.3.1 Subject to and in accordance with Sections 2.1 through 2.3, the Vice President and Treasurer (Treasurer) of NUSCO has the overall specific responsibility for the development and implementation of, and compliance with, these Policies and Procedures.

2.3.2 The Treasurer will oversee and authorize all IRRM Transactions and related documentation under which any Authorized Risk Management Personnel (listed in attached Schedule D) may execute IRRM Transactions. The Treasurer will establish, and to the extent required, seek the CFO's approval for, the following risk management parameters and authorizations detailed in the Appendix:

1) Fixed / Floating Positions.. Schedule A
2) Notional Amounts... Schedule A
3) Underlying Exposures to Hedge .... Schedule A
4) Maturities .... Schedule A
5) Authorized IRRM Instruments .... Schedule B
6) Authorized Counterparties.. Schedule C
7) List of Authorized Risk Management Personnel .... Schedule D
8) Required Documentation (at Inception) .... Schedule E

2.3.3 The Treasurer will review these Policies and Procedures with the CFO on at least an annual basis and as material changes to it are needed.

2.3.4 The Treasurer will promptly review with the CFO any exception reporting.

Section 3: Monitoring, Reporting, Documentation & Accounting

3.1 Monitoring of Exposures and Interest Rate Risk Management Transactions

3.1.1 The Assistant Treasurer - Finance of NUSCO has the responsibility for monitoring all IRRM Transactions and will report to the Treasurer on a monthly basis or as significant changes occur to the items below. Reporting items will include, but not be limited to, the following:

1) Notional Amounts,
2) Maturities,
3) Mark-to-market of all IRRM Instruments with quarterly reporting to the Corporate Accounting Department with the source of valuation identified,
4) Cash settlements, if any, on related IRRM Transactions,
5) Counterparties and their credit ratings,
6) Collateral thresholds and positions (if applicable),
7) Market trends for underlying interest rates,
8) Interest rate hedging strategies,
9) Fixed / Floating Debt Positions, and
10) Hedge effectiveness (if applicable).

3.1.2 The Assistant Treasurer – Finance will ensure that exception reporting will be prepared by the Treasury Department and distributed to the Treasurer promptly upon occurrence.

3.2 Hedge Effectiveness & Ineffectiveness

3.2.1 The Treasury Department is responsible for measuring the effectiveness and ineffectiveness, if applicable, of IRRM Transactions and will report the results of its evaluations to the Treasurer and the NUSCO Corporate Accounting Department on a quarterly basis or as significant changes are needed.

3.2.2 Measuring effectiveness and ineffectiveness of a specific IRRM Transaction relative to underlying exposures will not be required if the Treasury and

Corporate Accounting Departments reasonably conclude that "No Ineffectiveness" exists due to the continued matching of terms as set forth in paragraph 68 of the Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended (SFAS No. 133), as they apply to Cash Flow and Fair Value Hedges. This determination will be made prior to the execution of every IRRM Transaction and on a quarterly basis.

3.2.3 Performance of risk management activities will be monitored by the Treasury Department, as necessary, based on the following criteria:

1) Original objectives,
2) Actual risk reduction,
3) Effectiveness of IRRM Transactions, and
4) Compliance with these Policies and Procedures.

3.3 <u>Documentation</u>

3.3.1 All IRRM Transactions must be documented in accordance with International Swaps and Derivatives Association, Inc. (ISDA) agreements that are structured to the satisfaction of, and executed by, any of the Authorized Risk Management Personnel (listed in attached Schedule D) with Authorized Counterparties (listed in attached Schedule C). Confirmations for each IRRM Transaction must be received no later than three business days following execution or in accordance with ISDA specifications negotiated with the respective counterparty.

3.3.2 The Treasury Department will obtain counsel from NUSCO Legal on all terms and conditions, opinions, certificates, and other documentation in the ISDA agreements. The Treasury Department will also seek appropriate assurance from NUSCO Legal that all necessary regulatory approvals are obtained prior to the execution of any IRRM Transaction.

3.3.3 All ISDA agreements, including Schedules, Master Amendments and Confirmations, and all other related transaction materials will be maintained and administered by the Treasury Department.

3.4 Accounting

3.4.1 Accounting for the Authorized IRRM Instruments (listed in attached Schedule B) must comply with SFAS No. 133 and applicable interpretations, subject to materiality considerations, as outlined in attached Schedule E. This guidance will be incorporated into the FASB Codification (scheduled to be effective on July 1, 2009), with which accounting for the Authorized IRRM Instruments must then comply.

3.4.2 All IRRM Transactions shall be designated to hedge a specific, identified risk at inception. Documentation must comply with the requirements of SFAS No. 133, as supplemented and any successor FASB Codification requirements.

3.4.3 *Cash Flow Hedges.* Consistent with Section 3.2, IRRM Transactions determined to meet the definition of cash flow hedges shall be assessed for effectiveness at inception, as defined by applicable accounting pronouncements and interpretations, and on a quarterly basis by the Treasury Department. The methodology used to assess effectiveness will be documented at inception by the Treasury Department. Documentation must comply with the requirements of SFAS No. 133, as codified, as outlined in attached Schedule E. Highly effective hedges, if cash flow hedge treatment is elected and criteria is met, must be accounted for as derivative assets or derivative liabilities, with the effective portion of the hedge recorded for financial reporting purposes as a component of other comprehensive income (OCI), which is a component of equity. The ineffective portion of the hedge will be recorded in earnings. A treasury lock or forward starting swap is an example of a Cash Flow Hedge.

3.4.4 *Fair Value Hedges.* Consistent with Section 3.2, IRRM Transactions determined to meet the definition of fair value hedges shall be assessed for effectiveness at inception, as defined by applicable accounting pronouncements and interpretations, and on a quarterly basis by the Treasury Department. The methodology used to assess effectiveness will be documented at inception by the Treasury Department. Documentation must comply with the requirements of SFAS No. 133, as codified, as outlined in attached Schedule E. The hedge will be recognized at its fair value as a derivative asset or a derivative liability. If the hedge is considered to be highly effective, the gain or loss in fair value of the hedging instrument will be recorded currently to earnings along with any offsetting loss or gain in the fair value of the hedged item attributable to the hedged risk. A fixed-to-floating interest rate swap is an example of a Fair Value Hedge.

3.4.5 Hedge accounting shall be discontinued prospectively for an existing IRRM Transaction if the IRRM Transaction expires or is sold, terminates or is exercised, is not highly effective and is not ever expected to be highly effective, or if the Treasury Department removes the designation of the hedge. The Treasury Department may elect to designate prospectively a new hedging relationship with a different IRRM Transaction or dedesignate the IRRM Transaction and redesignate it as a hedge of another interest rate exposure. For cash flow hedges, the net gain/loss accumulated through the effective date of such actions remains in OCI until the hedged item impacts earnings.

If a cash flow hedge is discontinued because it is probable that the original forecasted transaction will not occur, the net gain/loss accumulated in OCI shall be reclassified into earnings immediately.

Section 4: Operations and Processing

4.1 Trade Execution

4.1.1 In accordance with these Policies and Procedures, the Treasury Department is responsible for the execution of all IRRM Transactions.

4.1.2 The Treasury Department shall consider the following factors when executing IRRM Transactions:

1) Economic outlooks and interest-rate projections,
2) Evaluations of the ability of potential counterparties to meet the quantity and/or term of proposed transactions, and
3) Current capabilities of various counterparties, recent experience with various counterparties, and diversification of counterparties.

4.1.3 The Treasury Department is responsible for notifying the NUSCO Treasury Operations Department and the NUSCO Corporate Accounting Department of all material terms for new IRRM Transactions, as applicable. In addition, a transaction summary describing each new derivative will be prepared and distributed subsequent to execution of the IRRM Transaction.

4.1.4 The Treasury Department is responsible for providing to counterparties, if requested, a list of Risk Management Personnel authorized to execute IRRM Transactions. The approved list of personnel is detailed in attached Schedule D.

Section 5: Coordination with Internal Parties

5.1 Internal Coordination

The Treasury Department is responsible for maintaining open dialogue with the Accounting, Tax, Treasury Operations, and Legal Departments of NUSCO regarding accounting, tax, SEC and FERC requirements and other applicable standards related to IRRM Transactions. The Treasury Department will, as needed, discuss with these departments IRRM Transactions, market trends, new industry ideas, and communications with financial institutions.

5.2 Compliance

The Treasury Department will be responsible for working with the NUSCO Treasury Operations Department to:

1) Ensure accurate and timely cash settlements,
2) Ensure compliance with contractual obligations, and
3) Maintain all applicable documentation.

5.3 Disclosure

In connection with the need to meet continuing disclosure and reporting requirements, the Treasury Department will be responsible for reporting information to the Accounting and Legal Departments of NUSCO as requested and as required per attached Schedule E.

5.4 Auditing

The NU System's interest rate risk management activities are subject to review by the NUSCO Internal Audit Department to determine whether the activities are being implemented in accordance with these Policies and Procedures.

These Policies and Procedures described herein are approved and authorized for use by the NUSCO Treasury Department.

Date: May 2009
Last Revised

By: /s/

Name: David McHale
Title: Executive Vice President and Chief Financial Officer
Northeast Utilities Service Company

<u>Appendix</u>

Schedule A:	Authorized Parameters
Schedule B:	Authorized IRRM Instruments
Schedule C:	Authorized Counterparties
Schedule D:	Authorized Risk Management Personnel
Schedule E:	Required Documentation (At Inception)

Schedule A: Authorized Parameters

Fixed / Floating Positions:

Manage NU's fixed / floating position on a consolidated basis to a range of 10% – 40% floating rate debt. A subsidiary's floating rate debt percentage may be outside the NU consolidated floating rate debt range and must comply with any applicable regulatory orders.

Notional Amounts:

Manage the notional amount of IRRM Transaction on a transaction basis to hedge up to 100% of the underlying exposure.

Underlying Exposures to Hedge:

The Fair Value of, or Cash Flow associated with, outstanding or forecasted On-Balance-Sheet Debt and any transaction that may receive Off-Balance-Sheet Treatment at NU or the NU System Companies.

No hedging will occur for speculative purposes on any part of the debt portfolio of NU or the NU System Companies. However, Treasury may enter into an IRRM Transaction that partially offsets or fully offsets the remaining term of an existing IRRM Transaction.

Maturities:

The maturity of each interest rate hedge shall not exceed the maturity of the hedged exposure.

Regulatory:

Obtain and adhere to all required regulatory approvals.

Fees:

Transaction fees, commissions, and other amounts payable to the counterparty (excluding, however, swap or option payments) in connection with an IRRM Transaction will not exceed those generally payable in competitive markets to counterparties of comparable credit quality.

Schedule B: Authorized IRRM Instruments

1) Interest Rate Locks (including Treasury Locks and Forward Starting Swaps)
2) Caps, Floors, and Collars
3) Swaps (Synthetic Float or Synthetic Fixed)
4) Options

Schedule C: Authorized Counterparties

Authorized Counterparties include those institutions listed below and their affiliates, as long as the counterparty and/or its guarantor meets the minimum credit rating thresholds.*

	S&P / Moody's Rating[1]	ISDA Agreement[2]
1) Wachovia Bank, N.A.	AA+ / Aa2	N,C,P,Y,W
2) Bank of New York Mellon Corp.	AA- / Aaa	
3) Toronto-Dominion Bank	AA- / Aaa	C
4) Barclays Bank PLC	AA- / Aa3	N,C,P,W,Y
5) Credit Suisse USA Inc.	A+ / Aa1	
6) JPMorgan Chase & Co.	A+ / Aa3	
7) Citibank, N.A.	A+ / A1	N,C,P,W,Y
8) Goldman Sachs Group, Inc.	A / A1	N,C,P,W,Y
9) Bank of America Corp.	A / A2	
10) Morgan Stanley	A / A2	N,P

*Minimum Required Counterparty Ratings for counterparties and /or their guarantors.

S&P: A

Moody's: A2

(1) Ratings as of May 2009

(2) N = Northeast Utilities

C = CL&P

P = PSNH

W = WMECO

Y = Yankee Gas

Authorized Counterparties require an executed ISDA Agreement to enter into any IRRM Transaction with any of the NU System Companies.

Schedule D: Authorized Risk Management Personnel

The following NUSCO officers or employees, or the officers in their respective official capacity for NU or any of the NU System Companies are authorized to *execute* IRRM Transactions. All IRRM Transactions must be confirmed in writing with signatures from two of the individuals asterisked below.

1) David McHale* *Executive Vice President and Chief Financial Officer*
2) Randy Shoop* *Vice President and Treasurer*
3) Susan Weber* *Assistant Treasurer – Finance*
4) Aaron Cullen *Manager – Corporate Finance*

Schedule E: Required Documentation (at Inception)

Accounting – required by SFAS No. 133

- Background of the IRRM Transaction:
  - Counterparty
  - Hedging relationship,
  - Risk management objective and strategy for undertaking the hedge,
  - Identification of the hedging instrument, hedged item or transaction, and
  - Nature of the risk being hedged
- Designation
- Method used to assess effectiveness, consistent with approved methods: (i.e., how the company will assess the hedging instrument's effectiveness in offsetting the exposure to the hedged item's or transaction's variability in fair value or cash flows attributable to the risk being hedged)
- Conclusion of "highly effective" at inception, if applicable.
- Method used to measure ineffective portion, consistent with approved methods.
- Method used to determine fair value, consistent with approved methods.
- Accounting and disclosure requirements

Legal

- Regulatory Approvals, as required
- Board Resolutions
- Executed Documentation (ISDA agreement, schedule, confirmation, and other applicable documents).
- Advice on consummated IRRM Transactions so that post closing filings, if any, can be made on a timely basis.

THE STATE OF NEW HAMPSHIRE

BEFORE THE

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 10-_______

DIRECT TESTIMONY
OF
SUSAN B. WEBER

APPLICATION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE FOR THE APPROVAL OF: (1) THE ISSUANCE OF UP TO $600 MILLION AGGREGATE PRINCIPAL AMOUNT OF LONG-TERM DEBT SECURITIES THROUGH DECEMBER 31, 2012; (2) THE MORTGAGING OF PROPERTY; (3) THE EXECUTION OF INTEREST RATE TRANSACTIONS; (4) LONG-TERM BORROWING PURSUANT TO AN UNSECURED REVOLVING CREDIT AGREEMENT; AND (5) EXTENSION OF THE COMPANY'S SHORT TERM DEBT LIMIT OF 10% OF NET FIXED PLANT PLUS A FIXED AMOUNT OF $60 MILLION.

May 3, 2010

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I. INTRODUCTION

Q. Would you please state your name, business address and position?

A. My name is Susan B. Weber. My business address is 56 Prospect Street, Hartford Connecticut. I am Assistant Treasurer – Finance of Northeast Utilities Service Company ("NUSCO"), Northeast Utilities ("NU") Service Company affiliate, and Public Service Company of New Hampshire, subsidiaries of NU. I am providing this testimony on behalf of Public Service Company of New Hampshire ("PSNH" or the "Company").

Q. What are your responsibilities with respect to PSNH?

A. I am responsible for raising the capital necessary to meet PSNH's long-term and short-term financing requirements as well as managing other treasury-related functions, including cash management.

Q. Please summarize your educational background.

A. In January 1995, I earned a Master of Business Administration with a concentration in Finance from the University of Hartford. In May 1982, I earned a Bachelors degree in Mechanical Engineering from the University of Connecticut.

Q. Please summarize your professional experience.

A. I joined NUSCO in June 1982 as an Assistant Engineer in the Capacity Planning Department. Over the past 27 years I have held various positions of increasing authority within NUSCO, including Project Manager and Manager of Corporate Planning. Immediately prior to my current position, I served as the Director of Enterprise Risk Management at NUSCO. I was elected to the position of Assistant Treasurer- Finance effective January 1, 2009.

Q. Have you previously testified in any regulatory proceedings?

A. Yes. I have previously submitted testimony to the State of Vermont Public Service Board on behalf of PSNH in Docket No. 7510, *Application of Public Service Company of New Hampshire for approval of the issuance of $150 million in long-term debt securities and execution of an interest rate transaction.* I have testified in the Commonwealth of Massachusetts on behalf of Western Massachusetts Electric Company ("WMECO") in D.P.U. 09-50, *Western Massachusetts Electric Company's Petition for Approval of Issuance of Long-Term Debt and Execution of Interest Rate Transactions, and Related Requests* and in the State of Connecticut on behalf of The Connecticut Light and Power Company in Docket No. 06-12-14 RE03, *Application of The Connecticut Light and Power Company for Approval of the Issuance of Long-Term Debt and Execution of Hedging Transactions – Hedging Review.*

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The first purpose of my testimony is to explain PSNH's request to issue long-term debt securities in an aggregate principal amount not to exceed $600 million (the "Long-term Debt") from the date of the Commission's order through December 31, 2012 (the "Financing Period").

Second, I will discuss PSNH's request to consider entering into transactions to mitigate the interest rate risk (the "Interest Rate Transactions") associated with the proposed Long-term Debt.

Third, I will discuss PSNH's request for authority to enter into long-term borrowings pursuant to a new unsecured Revolving Credit Agreement ("Revolving Credit Agreement").

The fourth purpose of my testimony is to support PSNH's request to extend the authorization for its short-term debt limit of 10 percent of net fixed plant as specified under N.H. Code Admin. Rule Puc §307.05 (the "10% Limit") plus an additional fixed amount of $60 million.

III. DESCRIPTION OF PROPOSED FINANCING

Q. Would you please briefly summarize PSNH's financing proposal?

A. During the Financing Period, PSNH proposes to issue and sell up to $600 million in aggregate principal amount of Long-term Debt in the form of, or secured by, first mortgage bonds, or in the form of unsecured notes, in multiple series, with a maturity ranging from 1 to 40 years. The Long-term Debt may be issued at a fixed or floating interest rate; may be sold to either retail investors ("Retail Debt") or institutional investors ("Institutional Debt") and distributed in either the public or private markets. The Long-term Debt may also be issued in the form of advances from NU Parent and evidenced by one or more Promissory Notes in similar form as provided in Attachment SW-9; or the Long-term Debt could be issued in the form of one or more bank loans pursuant to a new unsecured Revolving Credit Agreement. The interest rate on the Long-term Debt will not exceed a rate equal to the applicable fixed or floating interest rate index plus a credit spread of up to 400 basis points (4.00%), consistent with prior Commission approval. The exact financing structure, terms and conditions, amount, documentation and interest rate will be determined at the time of issuance depending on prevailing market conditions.

Q. Please discuss the use of proceeds of the proposed Long-term Debt issuance.

A. The proceeds of the issuance of $600 million in Long-term Debt will be used to refinance PSNH's short-term debt previously incurred in the ordinary course of business, which includes financing capital expenditures for the Company's transmission, distribution and generation businesses, funding working capital, including the possibility of unforeseen or unpredictable events such as emergency storm restoration and paying issuance costs. If market conditions provide an opportunity to finance an amount in excess of the then-current short term debt level, any additional debt raised would be used for financing ongoing capital expenditures and funding working capital needs.

Q. Why is the Company requesting approval to issue secured or unsecured Long-term Debt in multiple series through December 31, 2012?

A. The Company is requesting the Commission's approval to issue the secured or unsecured Long-term Debt in multiple series throughout the Financing Period for two main reasons. First, given the volatility of the financial markets over the last several years, having this authorization will enable the Company to quickly capitalize on favorable market conditions by significantly reducing the lead time in issuing debt. Second, any future request by PSNH to issue the Long-term Debt during the Financing Period would, in all likelihood, closely resemble the request for issuance of Long-term Debt made in this application. Accordingly, receiving Commission approval now for anticipated long-term debt issuances during this period would save significant time and expense for all parties involved in the approval process by avoiding the need for a second proceeding such as this immediately following the next long-term debt issuance.

Q. Absent an individual approval process for each transaction, how will the Commission monitor the issuance of Long-term Debt?

A. PSNH proposes certain parameters under which the Long-term Debt would be issued. In addition, the Company would file a report with the Commission within 30 days following each issuance of Long-term Debt that would summarize the terms and conditions and actual costs of the transaction, and demonstrate compliance with the pre-approved parameters.

Q. What parameters does PSNH propose for the issuance of Long-term Debt?

A. In order to achieve favorable financing terms, PSNH seeks flexibility in issuing the Long-term Debt, such that this Debt may have fixed or floating interest rates, be secured or unsecured, sold to either institutional or retail investors and distributed in either the public or private markets. However, notwithstanding this flexibility, PSNH proposes the following parameters for such issuance:

1) Debt maturity will range from 1 to 40 years.
2) Aggregate Principal Amount of debt issued during the Financing Period will not exceed $600 million.
3) Coupon rate will be consistent with market rates for an instrument of similar maturity and risk at the time of issuance, with conditions that the credit spread above (a) a fixed rate benchmark (i.e., applicable Treasury Bond) will not exceed

400 basis points (4.00 percent) or (b) a floating rate benchmark (i.e. London Inter-bank Offer Rate (" LIBOR")) will not exceed 400 basis points (4.00 percent).

4) PSNH's debt capitalization will be targeted at the approved ratemaking debt percentage level.

5) Use of proceeds will be limited to (a) refunding short-term debt previously incurred in the ordinary course of business, which includes financing capital expenditures for the Company's transmission, distribution and generation businesses, and funding working capital, including the possibility of unforeseen or unpredictable events such as emergency storm restoration and paying issuance costs as well for (b) financing ongoing capital expenditures and funding working capital needs.

6) The Long-term Debt may also be issued in the form of advances from NU Parent and evidenced by one or more Promissory Notes in similar form as provided in Attachment SW-9; or the Long-term Debt could be issued in the form of one or more bank loans pursuant to a new unsecured Revolving Credit Agreement.

Q. What are PSNH's current plans for issuing Long-term Debt through the Financing Period?

A. In accordance with its latest 5-year forecast, PSNH is projecting it will access the markets as early as the first quarter of 2011 for approximately $210 million and as early as the first quarter of 2012 for approximately $225 million of Long-term Debt. While PSNH is currently projecting to issue a total of approximately $435 million of Long-term Debt through the Financing Period, the Company is requesting the authority to issue up to $600 million in Long-term Debt to provide flexibility should financing needs increase. Any changes in Long-term Debt issuances will be governed by operational considerations (such as the occurrence of a major storm such as those experienced in late 2008 and early 2010) as well as changes in the timing of capital expenditures and working capital incurred in the normal course of business. Such financing decisions will be also be made taking into consideration the need to maintain PSNH's credit ratings and ratemaking capitalization.

Q. What are PSNH's current credit ratings?

A. PSNH's senior secured debt is currently rated BBB+ by Standard and Poor's ("S&P"), A3 by Moody's Investors Service ("Moody's), and BBB+ by Fitch. The Company's corporate credit is currently rated BBB by S&P, Baa2 by Moody's and BBB by Fitch.

Q. What credit ratings would PSNH expect to receive on the proposed issuance of Long-term Debt in the form of first mortgage bonds?

A. PSNH expects that the Long-term Debt offering would receive senior secured credit ratings of BBB+ by S&P, A3 by Moody's and BBB+ by Fitch.

Q. How will PSNH's capitalization be impacted by the issuance of the Long-term Debt?

A. PSNH's capitalization will not be adversely impacted by the issuance of the Long-term Debt. NU Parent expects to continue to make capital contributions in PSNH at such times and in such amounts as will maintain PSNH's allowed ratemaking capital structure.

Q. What are the primary differences between Retail Debt and Institutional Debt?

A. Retail Debt is primarily distributed to individual investors rather than institutional investors, is listed on the New York Stock Exchange, is issued in denominations of $25 instead of denominations of $1,000, pays interest monthly or quarterly rather than semi-annually and can typically be called at par value after three to five years.

Retail investors tend to focus on absolute yield rather than relative value and spread as favored by institutional investors and, as a result, retail investors are less reactive to changes in market conditions. Consequently, Retail Debt coupon rates may be lower than those of Institutional Debt in a rising-rate environment. Conversely, Retail Debt coupon rates tend to be higher than those of Institutional Debt in a declining-rate environment.

Finally, since greater effort is required by participating managers to distribute the Retail Debt, underwriting fees are significantly higher in the retail market than in the institutional market (approximately 2.50% compared to 0.65%, for a 10-year debt issuance).

Q. What yields are associated with the issuance of Institutional vs. Retail Debt?

A. Although the Long-Term Debt will be issued in multiple series, the following table shows a comparison of the estimated all-in yield of Institutional and Retail Debt associated with the maximum $600 million of total issuances requested herein. The amounts in the table were determined based on indications from investment banks.

ALL-IN YIELD *

	Institutional 10 year	Retail 10 year
Reference Benchmark	3.625% due 2020	3.625% due 2020
Benchmark Yield	3.80%	3.80%
Credit Spread	85 bps area	170 bps area
Reoffer Yield	4.65%	5.50%
Underwriting Fee	0.65% **	2.50%
All-In Yield	**4.74%**	**5.83%**

* as of April 13, 2010 and does not include other expenses such as legal, accounting and rating agency fees.
** applies to a public issuance

Currently, Institutional Debt is less expensive than Retail Debt. However, there is no guarantee that either debt market will remain accessible or the price differential will remain the same.

Q. What criteria will you use to decide whether to issue Institutional Debt or Retail Debt?

A. PSNH will consider the market conditions at the time of issuance when making such a decision. Market conditions consist of various economic and industry factors that determine the all-in cost (coupon, underwriting expense, etc.) of each financing alternative. The Company utilizes several resources to assess market conditions. First, the Company draws on the knowledge and experience of its investment banks to estimate the pricing of available financing alternatives. Second, the Company analyzes data from various financial and industry sources to draw its own conclusions regarding credit spreads, interest rates, issuance costs, and other economic factors.

Q. Does PSNH anticipate any early redemption provisions on the proposed debt?

A. Yes. The current market standard redemption provision is referred to as a "make-whole" provision. A make-whole provision permits PSNH to redeem the Long-term Debt at any time, in whole or in part, at the option of the Company, prior to such Long-term Debt's stated maturity, provided the Company pays a premium to the investors at the time of the redemption. This premium reflects the excess of all future principal and interest payments, discounted at a rate equal to the treasury rate plus approximately 25 basis points, over the principal amount of such debt being redeemed.

In contrast, a call option provides PSNH the opportunity to redeem such Long-term Debt at par or at a stated premium to par (i.e. 100 percent) before the maturity date. However, the cost of this option is reflected in a higher coupon rate at the time of issuance. For example, a redemption provision that permits the redemption of such Long-term Debt with no premium after a specified period of time (usually 2 to 10 years, depending on the maturity of the Long-term Debt) would currently cost an additional 40 to 85 basis points (0.40% to 0.85%), which would increase the coupon rate of such Long-term Debt.

Q. Please describe the Company's current debt maturity profile.

A. The table below details the principal amount of debt outstanding and maturity date of each bond within each maturity term.

Bond Series	Amount Issued	Maturity Date
Maturity less than 10 years		
2004 Series L	$50,000,000	07/15/2014
2007 Series N	$70,000,000	09/01/2017
2008 Series O	$110,000,000	05/01/2018
2009 Series P	$150,000,000	12/01/2019
Subtotal	**$380,000,000**	
Maturity between 10-15 years		
1992 Series D PCRB*	$75,000,000	05/01/2021
1993 Series E PCRB*	$44,800,000	05/01/2021
2001 Series A PCRB*	$89,250,000	05/01/2021
2001 Series B PCRB*	$89,250,000	05/01/2021
2001 Series C PCRB*	$108,985,000	05/01/2021
Subtotal	**$407,285,000**	
Maturity over 20 years		
2005 Series M	$50,000,000	10/05/2035
Subtotal	**$50,000,000**	
Grand Total	**$837,285,000**	

*Pollution Control Revenue Bonds (PCRB's) are tax-exempt.

Q. Has PSNH or any of its affiliates accessed the capital markets recently?

A. On December 14, 2009, PSNH issued $150 million of 10-year taxable secured institutional debt. The required investor yield at the time of pricing the Series P Bonds was 4.549%, which reflected a 10-year Treasury yield of 3.399% at the time of pricing plus a credit spread of 1.15%.

On March 8, 2010, WMECO issued $95 million of 10-year taxable unsecured institutional debt. The required investor yield at the time of pricing the Series E Bonds was 5.146%, which reflected a 10-year Treasury yield of 3.646% at the time of pricing plus a credit spread of 1.50%.

On April 22, 2010, Yankee Gas Services Company, another NU subsidiary, issued $50 million of 10-year taxable secured institutional debt in the private placement market.

The required investor yield at the time of pricing the Series K Bonds was 4.87%, which reflected a 10-year Treasury yield of 3.87% at the time of pricing plus a credit spread of 1.00%.

Q. What are the fees associated with the most likely financing scenario?

A. Although the Long-term Debt will be issued in multiple series, the following table illustrates for convenience the fees associated with a single $600 million issuance, based on a 10-year secured institutional debt structure:

Fee	Taxable Debt
Underwriting [1]	$3,900,000
Rating Agencies	$524,000
External Auditor[2]	$32,000
Legal	$30,000
Miscellaneous[3]	$43,000
Total[4]	**$4,529,000**

1. Underwriting fees are based upon an anticipated 0.65% commission on an issuance of a ten-year, secured, Institutional Debt.
2. Deloitte & Touche LLP
3. Miscellaneous includes fees for registering the proposed debt with the Securities and Exchange Commission, printing, annual trustee administrative fees and underwriter expenses.
4. Total fees shown are based on a single $600 million issuance, but may increase depending on the overall number of series issued, since External Auditor, Legal and Miscellaneous fees are incurred for each issuance.

IV. MORTGAGING OF PROPERTY

Q. Why is PSNH seeking the ability to mortgage its property?

A. PSNH is seeking the ability to mortgage its property in connection with the Long-term Debt being requested, should it be in the form of, or secured by, first mortgage bonds.

V. EXECUTION OF INTEREST RATE TRANSACTIONS

Q. Please describe PSNH's request for approval to use Interest Rate Transactions to manage the interest rate risk associated with the proposed Long-term Debt.

A. PSNH is seeking authority to enter into one or more Interest Rate Transactions during the Financing Period to manage interest rate risk associated with the proposed Long-term Debt.

Q. Has the Commission previously allowed PSNH's use of Interest Rate Transactions?

A. Yes. Order No. 25,021 issued October 5, 2009, in Docket No. DE 09-033, authorized PSNH to utilize Interest Rate Transactions in connection with a $150 million debt issuance concurrently approved at that time. In addition, Order No. 24,781 issued August 3, 2007, in Docket No. DE 07-070 authorized PSNH to utilize Interest Rate Transactions in connection with a $200 million debt issuance concurrently approved at that time.

Q. What type of instruments could PSNH use to mitigate interest rate risk?

A. PSNH will consider the use of a Treasury Rate Lock or Forward-starting Swap, which are commonly used in the capital markets to mitigate interest rate risk.

Q. How would PSNH use Interest Rate Transactions in anticipation of a planned debt issuance?

A. There are several instruments that can be used to lock in the interest rate of a planned debt issuance. One example is a Treasury Rate Lock, which would be used to hedge against potential increases in the applicable U.S. Treasury rate portion of the coupon rate. By locking in the U.S. Treasury rate in advance of the planned debt issuance, PSNH may eliminate or reduce the risk associated with a rising interest rate environment depending on the percentage of the principal amount of debt that is hedged. Conversely, if actual U.S. Treasury rates were to fall after PSNH entered into the Treasury Rate Lock, the Company's effective interest rate on the hedged portion of the principal would reflect the higher locked-in rate.

Another example of an interest rate lock is a Forward-starting Swap, which functions substantially like a Treasury Rate Lock, except that the Forward-starting Swap is based on expected changes in the U.S. LIBOR swap market instead of the U.S. Treasury market, and mitigates a portion of an issuer's credit spread risk in addition to underlying Treasury rate risk. Like a Treasury Rate Lock, at execution, a rate (in this case the LIBOR swap rate vs. the Treasury rate) is locked in advance of the anticipated bond issuance. LIBOR swap rates are often quoted relative to the applicable U.S. Treasury benchmark (i.e., a 30-year LIBOR swap rate would be quoted relative to a 30-year U.S. Treasury) and would therefore capture the U.S. Treasury component of the coupon rate that PSNH realizes on the Long-term Debt, plus a spread that would mitigate a portion of the credit spread component of the Company's debt coupon.

Q. Please provide a hypothetical example of a Treasury Rate Lock.

A. Using $100 million of Long-term Debt as an example, if PSNH were able to issue such debt at a coupon rate of 6% based on an underlying U.S. Treasury rate of 5% at the time of pricing, but previously entered into a Treasury Rate Lock that effectively locked in a U.S. Treasury rate of 4.89%, the cost of debt would be reduced by $110,000 per year [(5.00% - 4.89%) × $100 million] for the life of the debt. The Company would receive a payment from the hedge counterparty at or close to issuance in an amount equal to the present value of these annual savings. This payment would then be amortized to interest expense over the life of the debt. Similarly, if PSNH had previously locked in a U.S. Treasury rate of 5.11%, and then priced based upon the 5% U.S. Treasury rate, the cost of debt would be effectively increased by the same amount, and the Company would make a payment to the hedge counterparty at issuance in an amount equal to the present value of these annual costs. This payment would also be amortized to interest expense over the life of the debt.

Q. Please provide a hypothetical example of a Forward-starting Swap.

A. Using the preceding hypothetical Treasury Rate Lock example, if PSNH entered into a Forward-starting Swap that effectively locked in a U.S. Dollar swap rate of 5.39% and the U.S. Dollar swap rate increased to 5.50% at the time of pricing, the cost of debt would be reduced by $110,000 per year [(5.50% - 5.39%) × $100 million] for the life of the debt. The Company would receive a payment from the hedge counterparty at issuance in an amount equal to the present value of these annual savings. This payment would then be amortized to interest expense over the life of the debt. Similarly, if PSNH had previously locked in a U.S. Dollar swap rate of 5.61%, and the U.S. Dollar swap rate dropped to 5.50% by the time of pricing, the cost of debt would be effectively increased by the same amount, and the Company would make a payment to the hedge counterparty at issuance in an amount equal to the present value of these annual costs. This payment would also be amortized to interest expense over the life of the debt.

Q. What is the cost of a Treasury Rate Lock or Forward-starting Swap?

A. There is no upfront cost to the Company to enter into a Treasury Rate Lock or Forward-starting Swap. However, a transaction fee, which depends upon the length of the period during which the rate will be locked, is added to the locked rate. For example, the fee to lock in the 10-year U.S. Treasury rate or enter into a Forward-starting Swap for three months has historically ranged from approximately 0.05% to 0.20% of the principal amount, and is currently around 0.15%. There are no additional costs or transaction fees that the Company might incur as a result of using a Treasury Rate Lock or Forward-starting Swap.

Q. Does PSNH plan on entering into Interest Rate Transactions related to the planned issuances of the Long-term Debt described in this petition?

A. While we have no specific plans at this time, PSNH requests that the Commission grant the Company the flexibility to enter into one or more Treasury Rate Locks or Forward-starting Swaps in connection with the proposed Long-term Debt issuances. The ultimate decision will depend on actual market conditions at or near the time of each issuance of the proposed Long-term Debt.

Q. Describe the standard by which PSNH will assess whether to enter into an Interest Rate Transaction?

A. PSNH may utilize Interest Rate Transactions to manage the risk of rising interest rates with respect to anticipated debt issuances. In doing so, the Company will closely monitor interest rate trends, volatility and the characteristics of its debt portfolio and will enter into these transactions only at market rates. PSNH will only enter into an approved transaction, as determined by the Company's Interest Rate Risk

Management Policies and Procedures, and will comply with all hedge accounting guidelines set forth according to generally accepted accounting principles.

VI. LONG-TERM BORROWINGS PURSUANT TO A NEW UNSECURED REVOLVING CREDIT AGREEMENT

Q. Please explain how bank loans could provide PSNH with Long-term Debt flexibility.

A. PSNH is currently party to an unsecured Revolving Credit Agreement with a number of banks pursuant to which the Company can borrow, under the terms and conditions of this credit agreement, up to $100 million (the "Authorized Amount") on a short-term basis or, subject to the Commission's approval, on a long-term basis. Under the current unsecured Revolving Credit Agreement, PSNH may borrow at variable rates plus an applicable margin based upon unsecured debt ratings.

While intended as a short-term funding source, this unsecured Revolving Credit Agreement can serve as an additional source of long-term funding for PSNH, if needed. Any long-term borrowing under the unsecured Revolving Credit Agreement would be available to PSNH up to its unutilized Authorized Amount outstanding and subject to the terms and conditions of the agreement.

Due to the fact that the existing unsecured Revolving Credit Agreement is set to expire on November 6, 2010, PSNH can only borrow funds under this agreement on a short-term basis (less than 365 days). However, prior to the expiration of the existing unsecured Revolving Credit Agreement, I expect a new unsecured Revolving Credit Agreement will be put in place in which PSNH will be a participant. PSNH is seeking authority from the Commission to have the flexibility to borrow on a long-term basis under this new unsecured Revolving Credit Agreement. The terms and conditions of this new unsecured Revolving Credit Agreement are currently under development and will be provided to the Commission as a supplement to PSNH's petition as soon as they are available.

VII. EXTENSION OF SHORT-TERM DEBT AUTHORITY

Q. What is PSNH's current short-term debt authorization?

A. As of March 31, 2010, PSNH's net fixed plant, excluding Construction Work In Progress (CWIP), was approximately $1.54 billion. As approved in the Commission's Order No. 25,021 in Docket No. DE 09-033 dated October 5, 2009, as clarified in Order No. 25,050 dated December 8, 2009, the Company is currently authorized to issue short-term debt up to approximately $154 million (10% of net fixed plant) plus $60 million for a total of $214 million. This authorization is in place until the Commission acts upon "...PSNH's next financing filing", which is this filing.

Q. Why is PSNH requesting an extension for its short-term debt limit authorization?

A. As noted previously, PSNH's current short-term debt limit is $214 million as of March 31, 2010. PSNH continues to invest in new capital additions and will continue to need funds for working capital, including funds for emergency storm restoration, for which it has to rely heavily on short-term borrowings. Recent experience has shown that the cost of major storm restoration can be in the tens of millions of dollars. In addition, intra-month peaks in PSNH's short-term borrowings may cause its short-term borrowing needs to exceed the 10% Limit. To manage short-term liquidity needs and peak borrowing days, PSNH is seeking authority to extend its present short-term debt limit authorization of 10% of net fixed plant (excluding CWIP) plus $60 million. PSNH proposes that this short-term debt limit remain in effect until further ordered by the Commission.

Q. Please describe PSNH's current sources of short-term debt.

A. PSNH is a member of the NU System money pool where short-term borrowing needs of the member companies are met first with available funds of other member companies, including funds invested by PSNH's parent company, NU. Funds may be withdrawn from, and may be required to be repaid to, the NU System money pool at any time without prior notice. As a member of the NU System money pool and subject to any limit set by its Board of Directors, PSNH may borrow up to the Commission-approved short-term debt limit, subject to the availability of funds.

In addition to borrowing from the NU System money pool, PSNH can also borrow under its unsecured Revolving Credit Agreement. Under this agreement, PSNH can borrow up to $100 million on a short-term or long-term basis, subject to the terms and conditions of the unsecured Revolving Credit Agreement.

Q. Please describe PSNH's current outstanding short-term debt.

A. PSNH had $16.2 million in outstanding short-term debt as of March 31, 2010, consisting entirely of NU System money pool borrowings with an annualized interest rate of 0.11 percent, all of which was incurred to fund working capital requirements and ongoing capital expenditures. Schedule 1 describes the daily borrowings through the NU System money pool for the 12 months ended March 31, 2010. Schedule 2 describes the borrowings that were made under the Revolving Credit Agreement for the 12 months ended March 31, 2010.

Q. Please explain how you determined that an additional fixed amount of $60 million above the 10% Limit is appropriate.

A. The request for the continued authority of an additional $60 million in short-term debt over the 10% Limit is based on PSNH's need to maintain sufficient liquidity to support its capital expenditure program and ongoing working capital requirements. Based on PSNH's latest forecast, the table below shows that PSNH is currently projecting its short-term debt to exceed $131.5 million by May 2011, which would be within $41.0 million of the 10% Limit. However, when including a $65.0 million contingency based on PSNH's maximum intra-month peak short-term debt observed over the last two years, PSNH's short-term debt would exceed the month-end net plant limit by $24.0 million.

PSNH FORECAST - 2011 NET PLANT AND SHORT-TERM DEBT

Amounts in (000's)

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011
NET PLANT [1]	$1,685,402	$1,685,402	$1,685,402	$1,725,098	$1,725,098	$1,725,098	$1,760,162	$1,760,162	$1,760,162	$1,811,985	$1,811,985	$1,811,985
@ 10%	$168,540	$168,540	$168,540	$172,510	$172,510	$172,510	$176,016	$176,016	$176,016	$181,199	$181,199	$181,199
Short-term Debt - Start	$82,485	$83,692	$91,536	$124,242	$127,866	$131,507	(36,588)	(59.330)	(60,792)	(2,174)	(19,543)	(14,551)
Short-term Debt - End	$83,692	$91,536	$124,242	$127,866	$131,507	(36,588)	(59,330)	(60 792)	(2.174)	(19.543)	(14,551)	$53,793
Intra-month Peak	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000	$65,000
Available Short-term Debt Capacity [2]	19,848	12,004	(20,702)	(20,356)	(23,997)	(23,997)	147,604	170,346	113,190	118,372	130,749	62,405

(1) Net Plant does not include CWIP.
(2) Determined relative to the higher of the Starting or Ending STD.

The possibility of unforeseen events (such as additional storms, like the one in late 2008 which cost PSNH approximately $75 million to repair and replace infrastructure, and another in early 2010) also might cause PSNH to exceed its 10% Limit. PSNH believes that the flexibility of having a higher short-term debt limit is less costly for customers than alternative funding sources such as NU Parent capital contributions, and/or relying on more frequent and smaller long-term debt transactions, which can have relatively higher issuance and interest costs than larger issuances. In addition, a higher short-term debt limit provides PSNH with increased flexibility in accessing long-term debt markets at appropriate times.

Q. Do you believe the proposed issuance of $600 million of Long-term Debt, the mortgaging of property, the use of Interest Rate Transactions, long term borrowings under the new unsecured Revolving Credit Agreement and the extension for the Company's current short term debt limit of $10% of net fixed plant plus a fixed amount of $60 million until further order of the Commission are in the public good?

A. Yes.

Q. When does PSNH need the Commission's approval for this financing proposal?

A. PSNH respectfully requests that the Commission issue an order approving the financing proposal by no later than September 30, 2010 so that it may access the markets as early as the first quarter of 2011.

Q. Does this conclude your testimony?

A. Yes, it does.

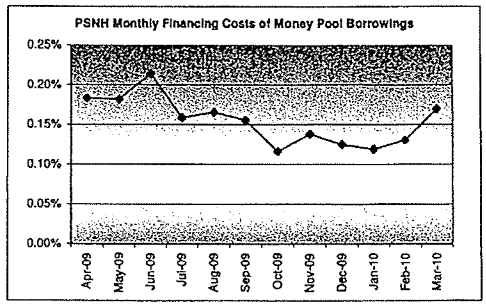
Public Service Company of New Hampshire

PSNH Money Pool Borrowings & Monthly Weighted Average Interest Rate

April 01, 2009 to March 31, 2010

Date	MP Borrowings	Daily Rate	Daily Interest	Monthly Wtd Avg Rate
4/1/2009	-		-	
4/2/2009	-		-	
4/3/2009	-		-	
4/4/2009	-		-	
4/5/2009	-		-	
4/6/2009	-		-	
4/7/2009	-		-	
4/8/2009	-		-	
4/9/2009	-		-	
4/10/2009	-		-	
4/11/2009	-		-	
4/12/2009	-		-	
4/13/2009	-		-	
4/14/2009	-		-	
4/15/2009	-		-	
4/16/2009	-		-	
4/17/2009	-		-	
4/18/2009	-		-	
4/19/2009	-		-	
4/20/2009	$1,700,000	0.16	$745	
4/21/2009	$2,200,000	0.18	$1,085	
4/22/2009	$1,200,000	0.17	$559	
4/23/2009	$200,000	0.18	$99	
4/24/2009	$500,000	0.18	$247	
4/25/2009	$500,000	0.18	$247	
4/26/2009	$500,000	0.18	$247	
4/27/2009	-		-	
4/28/2009	-		-	
4/29/2009	$4,100,000	0.20	$2,247	
4/30/2009	-		-	0.18
5/1/2009	$4,200,000	0.23	$2,647	
5/2/2009	$4,200,000	0.23	$2,647	
5/3/2009	$4,200,000	0.23	$2,647	
5/4/2009	$4,100,000	0.25	$2,808	
5/5/2009	$1,200,000	0.22	$723	
5/6/2009	-		-	
5/7/2009	-		-	
5/8/2009	-		-	
5/9/2009	-		-	
5/10/2009	-		-	
5/11/2009	-		-	
5/12/2009	-		-	
5/13/2009	-		-	
5/14/2009	-		-	
5/15/2009	-		-	
5/16/2009	-		-	
5/17/2009	-		-	
5/18/2009	-		-	
5/19/2009	-		-	
5/20/2009	$16,800,000	0.16	$7,364	
5/21/2009	$16,400,000	0.17	$7,638	
5/22/2009	$16,600,000	0.18	$8,186	
5/23/2009	$16,600,000	0.18	$8,186	
5/24/2009	$16,600,000	0.18	$8,186	
5/25/2009	$16,600,000	0.18	$8,186	
5/26/2009	$18,600,000	0.16	$8,153	
5/27/2009	$18,900,000	0.19	$9,838	
5/28/2009	$200,000	0.18	$99	
5/29/2009	-		-	
5/30/2009	-		-	
5/31/2009	-		-	0.18
6/1/2009	-		-	
6/2/2009	-		-	
6/3/2009	-		-	
6/4/2009	-		-	
6/5/2009	-		-	
6/6/2009	-		-	
6/7/2009	-		-	
6/8/2009	-		-	
6/9/2009	-		-	
6/10/2009	-		-	
6/11/2009	-		-	
6/12/2009	-		-	
6/13/2009	-		-	
6/14/2009	-		-	
6/15/2009	$24,100,000	0.23	$15,186	
6/16/2009	$21,400,000	0.22	$12,899	

	Monthly Wtd Avg Rate
Apr-09	0.18%
May-09	0.18%
Jun-09	0.21%
Jul-09	0.16%
Aug-09	0.17%
Sep-09	0.16%
Oct-09	0.12%
Nov-09	0.14%
Dec-09	0.13%
Jan-10	0.12%
Feb-10	0.13%
Mar-10	0.17%



Public Service Company of New Hampshire

PSNH Money Pool Borrowings & Monthly Weighted Average Interest Rate

April 01, 2009 to March 31, 2010

Date	MP Borrowings	Daily Rate	Daily Interest	Monthly Wtd Avg Rate
6/17/2009	$22,600,000	0.24	$14,860	
6/18/2009	$20,500,000	0.26	$14,603	
6/19/2009	$23,200,000	0.25	$15,890	
6/20/2009	$23,200,000	0.25	$15,890	
6/21/2009	$23,200,000	0.25	$15,890	
6/22/2009	$24,300,000	0.25	$16,644	
6/23/2009	$25,900,000	0.25	$17,740	
6/24/2009	$25,300,000	0.21	$14,556	
6/25/2009	$35,800,000	0.19	$18,636	
6/26/2009	$36,100,000	0.18	$17,803	
6/27/2009	$36,100,000	0.18	$17,803	
6/28/2009	$36,100,000	0.18	$17,803	
6/29/2009	$36,000,000	0.17	$16,767	
6/30/2009	-		-	0.21
7/1/2009	-		-	
7/2/2009	-		-	
7/3/2009	-		-	
7/4/2009	-		-	
7/5/2009	-		-	
7/6/2009	-		-	
7/7/2009	-		-	
7/8/2009	-		-	
7/9/2009	-		-	
7/10/2009	-		-	
7/11/2009	-		-	
7/12/2009	-		-	
7/13/2009	-		-	
7/14/2009	-		-	
7/15/2009	-		-	
7/16/2009	-		-	
7/17/2009	-		-	
7/18/2009	-		-	
7/19/2009	-		-	
7/20/2009	$17,200,000	0.16	$7,540	
7/21/2009	$16,600,000	0.14	$6,367	
7/22/2009	$12,700,000	0.15	$5,219	
7/23/2009	$11,100,000	0.15	$4,562	
7/24/2009	$13,100,000	0.16	$5,742	
7/25/2009	$13,100,000	0.16	$5,742	
7/26/2009	$13,100,000	0.16	$5,742	
7/27/2009	$12,000,000	0.17	$5,589	
7/28/2009	$8,600,000	0.16	$3,770	
7/29/2009	$8,200,000	0.17	$3,819	
7/30/2009	$6,900,000	0.17	$3,214	
7/31/2009	$5,300,000	0.19	$2,759	0.16
8/1/2009	$5,300,000	0.19	$2,759	
8/2/2009	$5,300,000	0.19	$2,759	
8/3/2009	$3,500,000	0.19	$1,822	
8/4/2009	$2,100,000	0.18	$1,036	
8/5/2009	-		-	
8/6/2009	-		-	
8/7/2009	-		-	
8/8/2009	-		-	
8/9/2009	-		-	
8/10/2009	-		-	
8/11/2009	-		-	
8/12/2009	-		-	
8/13/2009	-		-	
8/14/2009	-		-	
8/15/2009	-		-	
8/16/2009	-		-	
8/17/2009	-		-	
8/18/2009	-		-	
8/19/2009	-		-	
8/20/2009	$12,800,000	0.17	$5,962	
8/21/2009	$14,300,000	0.17	$6,660	
8/22/2009	$14,300,000	0.17	$6,660	
8/23/2009	$14,300,000	0.17	$6,660	
8/24/2009	$14,900,000	0.17	$6,940	
8/25/2009	$14,600,000	0.16	$6,400	
8/26/2009	$18,400,000	0.16	$8,066	
8/27/2009	$16,300,000	0.16	$7,145	
8/28/2009	$18,300,000	0.16	$8,022	
8/29/2009	$18,300,000	0.16	$8,022	
8/30/2009	$18,300,000	0.16	$8,022	
8/31/2009	$15,300,000	0.16	$6,707	0.17
9/1/2009	$14,700,000	0.17	$6,847	

Public Service Company of New Hampshire

PSNH Money Pool Borrowings & Monthly Weighted Average Interest Rate

April 01, 2009 to March 31, 2010

Date	MP Borrowings	Daily Rate	Daily Interest	Monthly Wtd Avg Rate
9/2/2009	$15,400,000	0.16	$6,751	
9/3/2009	$12,600,000	0.16	$5,523	
9/4/2009	$13,400,000	0.17	$6,241	
9/5/2009	$13,400,000	0.17	$6,241	
9/6/2009	$13,400,000	0.17	$6,241	
9/7/2009	$13,400,000	0.17	$6,241	
9/8/2009	$11,500,000	0.18	$5,671	
9/9/2009	$9,100,000	0.17	$4,238	
9/10/2009	$4,900,000	0.17	$2,282	
9/11/2009	$3,200,000	0.17	$1,490	
9/12/2009	$3,200,000	0.17	$1,490	
9/13/2009	$3,200,000	0.17	$1,490	
9/14/2009	-		-	
9/15/2009	$3,300,000	0.17	$1,537	
9/16/2009	-		-	
9/17/2009	-		-	
9/18/2009	-		-	
9/19/2009	-		-	
9/20/2009	-		-	
9/21/2009	$15,100,000	0.17	$7,033	
9/22/2009	$13,100,000	0.16	$5,742	
9/23/2009	$11,700,000	0.16	$5,129	
9/24/2009	$10,500,000	0.15	$4,315	
9/25/2009	$14,400,000	0.14	$5,523	
9/26/2009	$14,400,000	0.14	$5,523	
9/27/2009	$14,400,000	0.14	$5,523	
9/28/2009	$11,000,000	0.15	$4,521	
9/29/2009	$8,000,000	0.11	$2,411	
9/30/2009	$14,000,000	0.09	$3,452	0.16
10/1/2009	$12,900,000	0.10	$3,534	
10/2/2009	$13,200,000	0.13	$4,701	
10/3/2009	$13,200,000	0.13	$4,701	
10/4/2009	$13,200,000	0.13	$4,701	
10/5/2009	$11,400,000	0.13	$4,060	
10/6/2009	$13,700,000	0.13	$4,879	
10/7/2009	$2,800,000	0.13	$997	
10/8/2009	-		-	
10/9/2009	-		-	
10/10/2009	-		-	
10/11/2009	-		-	
10/12/2009	-		-	
10/13/2009	-		-	
10/14/2009	-		-	
10/15/2009	$2,300,000	0.14	$882	
10/16/2009	-		-	
10/17/2009	-		-	
10/18/2009	-		-	
10/19/2009	-		-	
10/20/2009	$27,300,000	0.13	$9,723	
10/21/2009	$27,800,000	0.11	$8,378	
10/22/2009	$25,700,000	0.12	$8,449	
10/23/2009	$26,300,000	0.11	$7,926	
10/24/2009	$26,300,000	0.11	$7,926	
10/25/2009	$26,300,000	0.11	$7,926	
10/26/2009	$25,800,000	0.11	$7,775	
10/27/2009	$25,600,000	0.11	$7,715	
10/28/2009	$21,200,000	0.11	$6,389	
10/29/2009	$27,000,000	0.11	$8,137	
10/30/2009	$29,700,000	0.12	$9,764	
10/31/2009	$29,700,000	0.12	$9,764	0.12
11/1/2009	$29,700,000	0.12	$9,764	
11/2/2009	$35,700,000	0.11	$10,759	
11/3/2009	$33,400,000	0.12	$10,981	
11/4/2009	$30,900,000	0.13	$11,005	
11/5/2009	$29,800,000	0.14	$11,430	
11/6/2009	$27,800,000	0.14	$10,663	
11/7/2009	$27,800,000	0.14	$10,663	
11/8/2009	$27,800,000	0.14	$10,663	
11/9/2009	$27,100,000	0.13	$9,652	
11/10/2009	$26,400,000	0.14	$10,126	
11/11/2009	$26,400,000	0.14	$10,126	
11/12/2009	$23,400,000	0.12	$7,693	
11/13/2009	$20,800,000	0.13	$7,408	
11/14/2009	$20,800,000	0.13	$7,408	
11/15/2009	$20,800,000	0.13	$7,408	
11/16/2009	$20,500,000	0.13	$7,301	
11/17/2009	$31,300,000	0.12	$10,290	

Public Service Company of New Hampshire

PSNH Money Pool Borrowings & Monthly Weighted Average Interest Rate

April 01, 2009 to March 31, 2010

Date	MP Borrowings	Daily Rate	Daily Interest	Monthly Wtd Avg Rate
11/18/2009	$29,900,000	0.12	$9,830	
11/19/2009	$26,900,000	0.12	$8,844	
11/20/2009	$50,400,000	0.12	$16,570	
11/21/2009	$50,400,000	0.12	$16,570	
11/22/2009	$50,400,000	0.12	$16,570	
11/23/2009	$58,600,000	0.26	$42,044	
11/24/2009	$60,100,000	0.26	$43,121	
11/25/2009	$76,800,000	0.12	$25,249	
11/26/2009	$76,800,000	0.12	$25,249	
11/27/2009	$76,800,000	0.12	$25,249	
11/28/2009	$76,800,000	0.12	$25,249	
11/29/2009	$76,800,000	0.12	$25,249	
11/30/2009	$74,200,000	0.14	$28,460	0.14
12/1/2009	$74,400,000	0.14	$28,537	
12/2/2009	$72,300,000	0.13	$25,751	
12/3/2009	$71,000,000	0.13	$25,288	
12/4/2009	$69,700,000	0.13	$24,825	
12/5/2009	$69,700,000	0.13	$24,825	
12/6/2009	$69,700,000	0.13	$24,825	
12/7/2009	$69,300,000	0.13	$24,682	
12/8/2009	$67,200,000	0.12	$22,093	
12/9/2009	$68,000,000	0.13	$24,219	
12/10/2009	$65,400,000	0.12	$21,501	
12/11/2009	$64,400,000	0.12	$21,173	
12/12/2009	$64,400,000	0.12	$21,173	
12/13/2009	$64,400,000	0.12	$21,173	
12/14/2009	-		-	
12/15/2009	-		-	
12/16/2009	-		-	
12/17/2009	-		-	
12/18/2009	-		-	
12/19/2009	-		-	
12/20/2009	-		-	
12/21/2009	$10,600,000	0.13	$3,775	
12/22/2009	$16,700,000	0.13	$5,948	
12/23/2009	$18,300,000	0.12	$6,016	
12/24/2009	$14,400,000	0.11	$4,340	
12/25/2009	$14,400,000	0.11	$4,340	
12/26/2009	$14,400,000	0.11	$4,340	
12/27/2009	$14,400,000	0.11	$4,340	
12/28/2009	$18,600,000	0.12	$6,115	
12/29/2009	$15,300,000	0.12	$5,030	
12/30/2009	$19,600,000	0.11	$5,907	
12/31/2009	$28,500,000	0.11	$8,589	0.13
1/1/2010	$28,500,000	0.11	$8,589	
1/2/2010	$28,500,000	0.11	$8,589	
1/3/2010	$28,500,000	0.11	$8,589	
1/4/2010	$27,800,000	0.12	$9,140	
1/5/2010	$25,800,000	0.12	$8,482	
1/6/2010	$22,000,000	0.12	$7,233	
1/7/2010	$21,100,000	0.12	$6,937	
1/8/2010	$19,600,000	0.11	$5,907	
1/9/2010	$19,600,000	0.11	$5,907	
1/10/2010	$19,600,000	0.11	$5,907	
1/11/2010	$14,800,000	0.11	$4,460	
1/12/2010	$15,800,000	0.10	$4,329	
1/13/2010	$17,400,000	0.11	$5,244	
1/14/2010	$16,600,000	0.11	$5,003	
1/15/2010	$20,500,000	0.12	$6,740	
1/16/2010	$20,500,000	0.12	$6,740	
1/17/2010	$20,500,000	0.12	$6,740	
1/18/2010	$20,500,000	0.12	$6,740	
1/19/2010	$37,800,000	0.12	$12,427	
1/20/2010	$49,000,000	0.12	$16,110	
1/21/2010	$47,500,000	0.12	$15,616	
1/22/2010	$48,400,000	0.12	$15,912	
1/23/2010	$48,400,000	0.12	$15,912	
1/24/2010	$48,400,000	0.12	$15,912	
1/25/2010	$52,100,000	0.12	$17,129	
1/26/2010	$51,300,000	0.13	$18,271	
1/27/2010	$47,700,000	0.13	$16,989	
1/28/2010	$44,100,000	0.13	$15,707	
1/29/2010	$42,200,000	0.12	$13,874	
1/30/2010	$42,200,000	0.12	$13,874	
1/31/2010	$42,200,000	0.12	$13,874	0.12
2/1/2010	$41,400,000	0.15	$17,014	
2/2/2010	$42,100,000	0.14	$16,148	

.ublic Service Company of New Hampshire

PSNH Money Pool Borrowings & Monthly Weighted Average Interest Rate

April 01, 2009 to March 31, 2010

Date	MP Borrowings	Daily Rate	Daily Interest	Monthly Wtd Avg Rate
2/3/2010	$39,100,000	0.14	$14,997	
2/4/2010	$36,100,000	0.14	$13,847	
2/5/2010	$32,600,000	0.14	$12,504	
2/6/2010	$32,600,000	0.14	$12,504	
2/7/2010	$32,600,000	0.14	$12,504	
2/8/2010	$28,300,000	0.14	$10,855	
2/9/2010	$24,400,000	0.13	$8,690	
2/10/2010	$33,600,000	0.13	$11,967	
2/11/2010	$33,200,000	0.12	$10,915	
2/12/2010	$32,200,000	0.12	$10,586	
2/13/2010	$32,200,000	0.12	$10,586	
2/14/2010	$32,200,000	0.12	$10,586	
2/15/2010	$32,200,000	0.12	$10,586	
2/16/2010	$29,800,000	0.14	$11,430	
2/17/2010	$37,500,000	0.12	$12,329	
2/18/2010	$35,800,000	0.13	$12,751	
2/19/2010	$31,400,000	0.13	$11,184	
2/20/2010	$31,400,000	0.13	$11,184	
2/21/2010	$31,400,000	0.13	$11,184	
2/22/2010	$36,700,000	0.13	$13,071	
2/23/2010	$39,100,000	0.13	$13,926	
2/24/2010	$35,200,000	0.12	$11,573	
2/25/2010	$38,900,000	0.12	$12,789	
2/26/2010	$37,600,000	0.13	$13,392	
2/27/2010	$37,600,000	0.13	$13,392	
2/28/2010	$37,600,000	0.13	$13,392	0.13
3/1/2010	$39,400,000	0.14	$15,112	
3/2/2010	$38,900,000	0.14	$14,921	
3/3/2010	$37,700,000	0.15	$15,493	
3/4/2010	$34,600,000	0.16	$15,167	
3/5/2010	$30,600,000	0.17	$14,252	
3/6/2010	$30,600,000	0.17	$14,252	
3/7/2010	$30,600,000	0.17	$14,252	
3/8/2010	$28,700,000	0.16	$12,581	
3/9/2010	$28,300,000	0.14	$10,855	
3/10/2010	$27,100,000	0.14	$10,395	
3/11/2010	$27,900,000	0.16	$12,230	
3/12/2010	$31,600,000	0.18	$15,584	
3/13/2010	$31,600,000	0.18	$15,584	
3/14/2010	$31,600,000	0.18	$15,584	
3/15/2010	$33,100,000	0.21	$19,044	
3/16/2010	$39,000,000	0.21	$22,438	
3/17/2010	$36,700,000	0.18	$18,099	
3/18/2010	$35,000,000	0.19	$18,219	
3/19/2010	$33,900,000	0.18	$16,718	
3/20/2010	$33,900,000	0.18	$16,718	
3/21/2010	$33,900,000	0.18	$16,718	
3/22/2010	$37,600,000	0.20	$20,603	
3/23/2010	$37,800,000	0.18	$18,641	
3/24/2010	$37,000,000	0.17	$17,233	
3/25/2010	$33,900,000	0.17	$15,789	
3/26/2010	$33,300,000	0.17	$15,510	
3/27/2010	$33,300,000	0.17	$15,510	
3/28/2010	$33,300,000	0.17	$15,510	
3/29/2010	$31,200,000	0.18	$15,386	
3/30/2010	$28,800,000	0.17	$13,414	
3/31/2010	$16,200,000	0.11	$4,882	0.17

Weighted Average Interest Rate for Twelve Months Ended 3/31/2010	0.14

Public Service Company of New Hampshire

Revolver Loan Interest Expense (Accrual)

April 01, 2009 to March 31, 2010

Settlement	*Maturity*	*Term*	*Principal*	*Maturity*	*Interest*	*Pay Basis*	*Rate*	*Active*	*Accr. Interest*	*Wtd Avg Rate*
Portfolio: PSNH LINE										
Mar-25-09	Apr-24-09	30	45,227,272.75	45,266,375.50	39,102.75	ACT360	1.0375	23	29,978.77	0.12%
Apr-24-09	May-26-09	30	45,227,272.75	45,266,469.72	39,196.97	ACT360	0.975	32	39,196.97	0.15%
May-26-09	Jun-25-09	30	45,227,272.75	45,256,953.14	29,680.39	ACT360	0.7875	30	29,680.40	0.09%
Jun-25-09	Jul-27-09	30	45,227,272.75	45,261,444.46	34,171.71	ACT360	0.85	32	34,171.72	0.12%
Jul-27-09	Jul-29-09	2	45,227,272.75	45,229,251.44	1,978.69	ACT360	0.7875	2	1,978.69	0.01%
Jul-29-09	Aug-14-09	16	45,227,272.75	45,243,102.29	15,829.54	ACT360	0.7875	16	15,829.55	0.05%
Aug-14-09	Aug-26-09	12	45,227,272.75	45,237,637.34	10,364.59	ACT360	0.6875	12	10,364.58	0.03%
Aug-26-09	Sep-25-09	30	45,227,272.75	45,253,184.21	25,911.46	ACT360	0.6875	30	25,911.46	0.07%
Sep-25-09	Oct-26-09	31	45,227,272.75	45,251,613.82	24,341.07	ACT360	0.625	31	24,341.07	0.06%
Oct-26-09	Nov-25-09	30	45,227,272.75	45,250,828.62	23,555.87	ACT360	0.625	30	23,555.87	0.06%
Nov-25-09	Dec-16-09	21	45,227,272.75	45,243,761.86	16,489.11	ACT360	0.625	21	16,489.11	0.04%
									$251,498.19	0.80%

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