

AMENDED AND RESTATED SERVICE CONTRACT
BETWEEN NORTHEAST UTILITIES SERVICE COMPANY
AND PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AGREEMENT made and entered into as of the 1st day of January, 2013, by and between NORTHEAST UTILITIES SERVICE COMPANY (hereinafter referred to as “Service Company”) and PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE (hereinafter referred to as “Associate Company”).

WHEREAS, the Federal Energy Regulatory Commission (hereinafter referred to as “FERC”) regulates the activities of service companies associated with holding companies registered under the Federal Power Act, as amended (the “Act”) to the extent and in the manner provided in the Act; and

WHEREAS, Service Company is a wholly owned subsidiary service company of Northeast Utilities (hereinafter referred to as “NU”); and

WHEREAS, Service Company and Associate Company, parties to that certain Service Contract, dated as of June 5, 1992, as amended on December 31, 2006, wish to enter into this Amended and Restated Service Contract in order to clarify certain provisions of such Service Contract; and

WHEREAS, Service Company is willing to continue to render services as provided herein to NU and its associated subsidiaries (hereinafter collectively referred to as the “System”) at cost, determined in accordance with applicable rules and regulations under the Act; and

WHEREAS, economies, increased efficiencies and other benefits will result to the System and to Associate Company from the performance by Service Company of services as herein provided:

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein, it is agreed as follows:

Section 1. Agreement to Furnish Services.

Service Company agrees to furnish to Associate Company if and to the extent requested by Associate Company, and other System companies, upon the terms and conditions herein provided, the services hereinafter referred to in Section 2 hereof at such times and for such periods as may be required, and Service Company will, as and to the extent requested to provide such services to the System, keep itself and its personnel available and competent to render such services to the Associate Company so long as it is authorized so to do by federal and state regulatory agencies having jurisdiction.

For the purpose of providing services as herein provided, Service Company has established various departments, one or more of which will participate in providing particular services hereinafter described. Service Company reserves to itself the privilege, without amendment hereof or express prior agreement by Associate Company or other System companies, from time to time to

establish new departments, to subdivide or otherwise reorganize any of the departments established by it, and to reallocate services among various departments.

Service Company will provide for Associate Company such other services not referred to in Section 2 hereof as Associate Company may request and Service Company concludes it is competent to perform and may furnish with economies and increased efficiencies to Associate Company without impairing the services rendered to other System companies by Service Company.

Service Company will also furnish services to other System companies under agreements similar hereto and may also furnish, in Service Company's discretion, services to others, provided that by so doing the cost of services to Associate Company or other System companies will not be increased.

In supplying services hereunder, Service Company may arrange for services of such executives, financial advisers, accountants, attorneys, technical advisers, engineers and other persons as are required for or pertinent to the rendition of such services.

Officers and other employees of Service Company will, on request of Associate Company, serve, without charge other than as herein provided, as officers or representatives of Associate Company.

Section 2. Services to be Performed.

Subject to the provisions of Section 1 hereof, Service Company will provide to Associate Company the following services:

Consultation and services in management and administration of all aspects of gas and electric utility operations, shared services and related business services including, without limitation:

Accounting: Accounting and related services, including, without limitation billing preparation of financial reports and preservation of records.

Auditing: Auditing and related services, including without limitation, providing planned audits, investigations, external audit activities, Sarbanes-Oxley compliance, and special audits, including preparation of reports and recommendations.

Business Continuity and Emergency Response Services: Business continuity planning, emergency response and related services, including, without limitation, services related to disaster recovery, weather events and emergency maintenance and restoration of utility company services and mobilization of personnel and equipment.

Communications: Communications and related services including without limitation, executive communications, customer and enterprise employee communications, media relations and regulatory communications, operating company and transmission communications, and communications to investors, financial analysts, rating agencies and investment firms.

Conservation & Load Management Services: Conservation, load management and related services including, without limitation supporting various energy efficiency and conservation programs for residential, commercial/industrial and municipal customers and providing affiliates with tracking, analysis and reporting on electric and natural gas programs and budgets.

Construction: Construction, maintenance and related services, including without limitation, provision of equipment and services for gas and electric systems and infrastructure construction and maintenance.

Corporate and Corporate Records: Corporate and related services including, without limitation, corporate matters of affiliates, corporate regulatory filings, financing, regulatory compliance, contracts, claims and litigation, shareholder and investor relation services, corporate record keeping, services related to shareholder and director meetings.

Customer Relations: Utility customer services including, without limitation, customer call center operations, metering operations, billing services, credit and collection services, revenue stream operations, information technology and systems operations.

Demand Side Management: DSM program design, project management, and monitoring and evaluation services; technical advice and assistance in preparing responses to RFPs.

Electrical and Gas Plant Operations and Maintenance: Comprehensive services relating to ongoing and maintenance of electric and gas generating, transmission and distribution facilities.

Energy Supply: Energy supply and related services including, without limitation, planning, procurement of fuel, electricity and natural gas, contract negotiation and administration, and management of renewable energy programs.

Engineering: Civil, mechanical, electrical, environmental and other engineering services; technical advice, design, installation, supervision, planning, research, testing, operation of communications, and operation and maintenance of specialized technical equipment.

Enterprise Risk Management: Enterprise risk management services including, without limitation, assisting businesses with prioritizing, developing mitigation strategies for monitoring, and reporting on their strategic, financial, operational and major capital project execution risks, supporting all aspects of risk assessment, documentation and monitoring, and facilitating risk workshops at the departmental or program level.

Environmental: Environmental and related services including, without limitation, environmental compliance, management, remediation and site assessment, and training.

Facilities: Facilities and related services including, without limitation, property acquisition, property maintenance, property disposition, documentation and recordkeeping of property inventories and valuations and other facilities information.

Finance/Business Planning: Corporate finance and related services including, without limitation, financial analysis, cost analysis, budgeting and tax planning.

Human Resources: Human resources and related services including employee ethics, compensation, recruiting, hiring, and orienting new employees, diversity and Affirmative Action, performance management, leadership development and training, wellness, labor relations, and employee benefits.

Information Technology: Information technology services including, without limitation, IT technical support, business process support, document management, software and hardware disbursement and support, web development, application development, project management, network access and support, information security, streaming media, and computer recycling services.

Insurance: Insurance and related services including, without limitation, development, placement and administration of insurance coverages, claims and valuations.

Legal: Legal services including, without limitation legal services related to corporate governance, finance, transactional activities, regulatory proceedings and appeals, and commercial litigation.

Marketing: Marketing services and expertise related to natural gas, DSM, electric transportation and other services.

Policies and Procedures: Services related to the development, implementation and training of policies, procedures, standards, guidelines and related information.

Procurement and Stores: Procurement and related services including, without limitation, procurement and storage of materials, supplies and equipment, contracting of services, strategic sourcing, commodity planning, utilization of diverse suppliers and sustainability review of products and services in support of affiliates business objectives.

Rates: Review, design, interpretation, analysis and other services regarding rates and special contracts for sale of gas and electricity.

Regulation: Analysis of laws, rules and regulations and recommendations for action thereunder; handling of matters with regulatory and governmental authorities; preparation of applications, registrations and periodic reports; analysis and compliance with environmental requirements.

Taxes: Services regarding federal, state and municipal taxes, preparation of returns and handling of audits and claims by taxing authorities.

Transportation: Transportation and related services to manage, maintain and provide all support for affiliates' vehicle assets - the fleet vehicles and heavy equipment motor pool.

Treasury and Statistical: Services regarding financing to meet affiliate capital requirements, both short and long-term, determination of capital needs, investment management, lender relations, credit risk assessments, and treasury operations and preparation of financial and statistical reports.

Other Services: Such other services as are requested from time to time.

Section 3. Agreement to Pay for Services

Associate Company agrees to pay to Service Company the cost, determined as herein provided, of such services as are requested by Associate Company and are provided by Service Company. It is the intent of this Agreement that the payment for services rendered by the Service Company to the System shall cover all the costs of its doing business (less credits for services to non-System companies and any other miscellaneous income items), including reasonable compensation for necessary capital as permitted by applicable rules and requirements of FERC under the Act. The methods and procedure for determining the cost of services performed for Associate Company are set forth in Appendix A hereto.


Bills will be rendered for each calendar month on or before the twentieth day of the succeeding month and will be payable on presentation and not later than the last day of that month. Monthly charges may be made in whole or in part for particular expenses on an estimated basis, subject to adjustment, so that all charges for services during a calendar year will be made on an actual basis. Notwithstanding any other provisions of this Agreement, Service Company shall ensure that all charges billed to Associate Company hereunder shall be reasonable, purposeful and consistent with historical precedent and cost allocations to other System companies.

Section 4. Term of Agreement.

This Agreement shall renew on the date of execution of this Amendment and shall continue in effect for a term of one year, and then continuing from year to year, subject to the right of either party after the expiration of the initial term to terminate this Agreement upon the giving of written notice one year in advance. Notwithstanding any such termination of this Agreement, Associate Company shall remain fully liable for all charges for Services performed or requested prior to the effective date of such termination. In addition, all the terms and provisions of this Agreement shall remain in full force and effect notwithstanding any such termination with respect to any Services which are not fully performed by Service Company prior to the effective date of the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, by their respective officers thereunto duly authorized, all as of the day and year first above written.

NORTHEAST UTILITIES SERVICE COMPANY

By: 
Name: Jay S. Butth
Title: Vice President, Controller and Chief Accounting Officer
Date: _____, 2013

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By: _____
Name: Richard J. Morrison
Title: Secretary
Date: _____, 2013

February 28,

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, by their respective officers thereunto duly authorized, all as of the day and year first above written.

NORTHEAST UTILITIES SERVICE COMPANY

By: _____
Name: Jay S. Buth
Title: Vice President, Controller and
Chief Accounting Officer

Date: February 28, _____, 2013

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By: Richard J. Morrison
Name: Richard J. Morrison
Title: Secretary

Date: February 28, _____, 2013

APPENDIX A

DESCRIPTION OF METHODS AND PROCEDURE FOR ALLOCATING COST OF SERVICES

JOB OR WORK ORDERS FOR SERVICE

There shall be job or work orders covering services to be performed for Associate Company or other System companies. These orders may be either general or specific. Services of a continuing nature, such as accounting, financial planning and dispatching, will be covered by general job or work orders; specific job or work orders will cover such things as issues of securities, special studies or construction projects. General orders, as well as specific orders, will specify the nature of the services to be performed thereunder in sufficient detail that charges therefor may be determined as herein provided and properly accounted for by the Associate Company under its prescribed Uniform System of Accounts.

CHARGES FOR SERVICES

General

Charges for services rendered to Associate Company and other System companies will be made on the bases of benefits conferred and of actual cost (including reasonable compensation for necessary capital as permitted applicable rules and requirements of FERC under the Act), fairly and equitably allocated.

Specific Services

Charges for specific services performed will be made to the appropriate specific job or work order number assigned to accumulate the charges applicable to the particular activity. These charges will include both direct and indirect costs involved in providing the specific services.

General Services

Charges for general services performed will be made to the appropriate general job or work order number assigned to accumulate the charges applicable to the particular activity. These charges will include both direct and indirect costs involved in providing the general services.

NATURE OF CHARGES AND METHOD OF ALLOCATION

Direct Charges

Direct charges consist of those costs which can practicably be recorded separately and identified not only by job or work order number and department but also as to source, such as time reports for each employee, vehicle reports, invoices and other source documents. Time reports will be maintained for each employee, including officers, in such detail as may be appropriate for such

employee and the nature of the services performed. Employees (other than stenographic, secretarial, clerical, and other workers engaged in rendering support services) will record on their time reports hours chargeable to the appropriate job or work order numbers and the nature of the work performed.

NU will be charged with 25% of the costs chargeable to job or work orders for general services not of an operating or functional nature related primarily to the System subsidiary companies but primarily of benefit to and performed for NU and the System as a whole. The balance of the charges to such job or work orders will be allocated to among System subsidiary companies as provided hereafter under "Charges to System Companies - General Services."

Indirect Charges or Overhead Expenses

Indirect charges or overhead expenses consist of all costs of the Service Company, other than direct charges described above. These charges may be classified into the following two general categories:

1. General Service Company Overheads - These charges include costs which cannot be identified as applicable to either a particular job or work order number or department on a fair and equitable basis. The following items are illustrative, and not all-inclusive, of the types of costs which may be so-allocated to the extent above provided: rents; office supplies and expenses; depreciation; building operation and maintenance; insurance; reasonable compensation for necessary capital; general services, such as stenographic, files, mail, etc., including salaries, employee benefits, and expenses of related employees; and other general overheads.

These overhead costs will be allocated to each department on the basis of functional relationship, such as number of personnel, space occupied, use, etc.

2. Department Overheads - These charges include costs which can be identified as applicable to a particular department but which cannot be directly associated with a particular job or work order number. These costs will consist of the following:
 - (a) Wages and salaries of stenographic, secretarial, clerical and other workers in the department engaged in rendering support services.
 - (b) Lost or nonproductive time for vacations, personal time off, sickness, holidays, etc., of all employees in department.
 - (c) Payroll-related Federal and State taxes and group benefit plans for pension, life insurance, hospitalization and medical, etc., of all employees in department.
 - (d) Miscellaneous supplies and expense.
 - (e) General Service Company overheads allocated to the particular department as set forth in item 1 above.

The indirect charges of a particular department, as outlined in this item 2, will be distributed to the active specific or general job or work orders for which work is being performed by that department on the same proportionate basis as the actual direct payroll charges of that department.

CHARGES TO OTHER THAN SYSTEM COMPANIES

Services performed for other than System companies will be billed and paid for by them on an appropriate basis. All amounts so billed will be credited to the appropriate job or work orders before any charges are made therefrom to System companies.

CHARGES TO SYSTEM COMPANIES

Specific Services

Charges for specific services recorded in the appropriate job or work order numbers including overhead items, will be billed to the company or companies for whom the services are performed.

General Services

Charges for general services recorded in the appropriate job or work order numbers, including overhead items, will be allocated among System subsidiary companies on one of the following bases determined on the basis of functional relationship to be the most fair and equitable:

1. Revenues - The relation of each company's gross operating revenues to the sum of the operating revenues of all System companies for the preceding calendar year.
2. Electric Peak Load - The relation of each company's annual electric peak load to the combined electric peak load of all System companies for the preceding calendar year.
3. Peak Day Sendout - The relation of each company's gas peak day sendout to the combined gas peak day sendout of all System companies for the preceding calendar year.
4. Customers Billed - The relation of each company's total customers billed to the combined total customers billed of all System companies for the preceding calendar year.
5. Other - Such other basis or bases as experience may show will provide, on a functional relationship, a more fair and equitable allocation of particular charges than any of the foregoing.

DEPARTMENT COST CONTROLS

Annual operating budgets, on a departmental basis, will be used and costs will be controlled independently for each department so as to maintain a periodic check on the balances, if any, over or under billed to insure that services rendered are being billed at cost. Each department will be

charged with all of its expenses, including overhead items allocated to it, and will be credited with amounts billed from the department for services rendered. The accounts of each department will be maintained so as to be substantially in balance at all times. Accordingly, semiannual reviews will be made of balances to determine to what extent the billings should be adjusted to reflect actual cost.

BILLING

Bills will be provided Associate Company in sufficient detail so as to identify the services rendered and permit proper accounting distribution of the charges under the Associate Company's prescribed Uniform System of Accounts. Detail on the bill will include: (1) Department; (2) Function or type of service; (3) Nature of charges, whether direct or indirect (overhead); and (4) Source of charges, if direct.