

**PSNH**

**After-tax Refinancing Analysis - 2001 Series B PCRBs with 8-yr taxable debt**

**2001 Series B PCRBs (AMT)**

Original Principal Amount	\$	89,250,000	
New <b>Taxable</b> Principal Amount	\$	89,250,000	
Current Coupon		4.75%	
8-year Pre-tax <b>Taxable</b> Coupon <sup>1</sup>		2.16%	(10-yr T+0.45%) = (1.71%+0.45%)
Tax Rate		40.00%	
After-tax Current Coupon		2.85%	
8-year After-tax Taxable Coupon		1.30%	
Call Premium (%)		102%	
Call Premium (\$)	\$	1,785,000	

Debt Type	Taxable Refinancing	
Tenor	8-years	
<b>Up-front Issuance Expenses:</b>		
Underwriting Expenses <sup>2</sup>	\$	557,813
Legal	\$	59,000
S&P	\$	88,500
Fitch	\$	35,700
Moody's	\$	82,500
Miscellaneous costs <sup>3</sup>	\$	55,674
<b>Total Issuance Costs</b>	<b>\$</b>	<b>879,187</b>

**REFINANCE ECONOMICS - AFTER TAX CASH FLOWS**

Present Value of Savings	\$	11,014,631
Less Call Premium	\$	1,785,000
Less Issuance Costs	\$	879,187
<b>Net After-Tax NPV Savings</b>	<b>\$</b>	<b>8,350,444</b>

1. Indicative rate provided by Morgan Stanley as of April 5, 2013

2. Underwriting fee of 0.625% (per Barclays)

3. Misc. includes fees for trustee, SEC registration, printing, and accounting expenses.

**After-tax Present Value Analysis from Refinancing the \$89,250,000 2001 Series B PCRBs**

<b>Current Outstanding 2001 Series B PCRBs Tax-exempt Debt</b>					<b>Refinancing with 8-year Taxable Debt</b>				
<b>Schedule</b>	<b>Interest Payment 2.85%</b>	<b>MBIA Insurance Fees</b>	<b>Present Value Factor</b>	<b>Present Value</b>	<b>Schedule</b>	<b>Interest Payment 1.30%</b>	<b>Present Value Factor</b>	<b>Present Value</b>	
0	5/1/2013	\$	67,200	\$	67,200	5/1/2013			
1	11/1/2013	\$ 1,271,813		99.3%	\$ 1,263,470	11/1/2013	\$ 578,340	99.3%	\$ 574,546
2	5/1/2014	\$ 1,271,813	\$ 67,200	98.7%	\$ 1,321,645	5/1/2014	\$ 578,340	98.7%	\$ 570,839
3	11/1/2014	\$ 1,271,813		98.1%	\$ 1,247,082	11/1/2014	\$ 578,340	98.1%	\$ 567,094
4	5/1/2015	\$ 1,271,813	\$ 67,200	97.4%	\$ 1,304,502	5/1/2015	\$ 578,340	97.4%	\$ 563,434
5	11/1/2015	\$ 1,271,813		96.8%	\$ 1,230,906	11/1/2015	\$ 578,340	96.8%	\$ 559,738
6	5/1/2016	\$ 1,271,813	\$ 67,200	96.2%	\$ 1,287,535	5/1/2016	\$ 578,340	96.2%	\$ 556,106
7	11/1/2016	\$ 1,271,813		95.5%	\$ 1,214,897	11/1/2016	\$ 578,340	95.5%	\$ 552,458
8	5/1/2017	\$ 1,271,813	\$ 67,200	94.9%	\$ 1,270,835	5/1/2017	\$ 578,340	94.9%	\$ 548,893
9	11/1/2017	\$ 1,271,813		94.3%	\$ 1,199,139	11/1/2017	\$ 578,340	94.3%	\$ 545,293
10	5/1/2018	\$ 1,271,813	\$ 67,200	93.7%	\$ 1,254,352	5/1/2018	\$ 578,340	93.7%	\$ 541,774
11	11/1/2018	\$ 1,271,813		93.1%	\$ 1,183,585	11/1/2018	\$ 578,340	93.1%	\$ 538,220
12	5/1/2019	\$ 1,271,813	\$ 67,200	92.5%	\$ 1,238,082	5/1/2019	\$ 578,340	92.5%	\$ 534,746
13	11/1/2019	\$ 1,271,813		91.9%	\$ 1,168,233	11/1/2019	\$ 578,340	91.9%	\$ 531,239
14	5/1/2020	\$ 1,271,813	\$ 67,200	91.3%	\$ 1,221,979	5/1/2020	\$ 578,340	91.3%	\$ 527,792
15	11/1/2020	\$ 1,271,813		90.7%	\$ 1,153,039	11/1/2020	\$ 578,340	90.7%	\$ 524,329
16	5/1/2021	\$ 90,521,813		90.1%	\$ 81,538,447	5/1/2021	\$ 89,828,340	90.1%	\$ 80,913,795
				<b>Current Bond</b>	<b>\$ 100,164,926</b>			<b>Taxable Bond</b>	<b>\$ 89,150,295</b>
						<b>PV Savings - Current Bond vs. New Taxable Debt</b>		<b>\$ 11,014,631</b>	