

**Public Service Company of New Hampshire**  
**Amended and Restated First Mortgage Indenture**

Dated as of August 15, 1978

Effective as of [ ]

**Issuance Capacity & Ratio of Debt to Net Plant**

**September 30, 2009**

**Summary:** Under the terms of the Amended and Restated First Mortgage Indenture, PSNH may issue new Securities or Secured Debt, if the aggregate principal amount of all Securities or Secured Debt, in each case then outstanding, will not exceed **75%** of the sum of all Property Additions and all Available Cash then held by, or deposited with, the Trustee.

<b>FMB Series</b>	<b>Issue Date</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
Series A	5/16/1991	\$ 172,500,000	\$ -
Series B	5/16/1991	\$ 170,000,000	\$ -
Series C	5/16/1991	\$ 66,000,000	\$ -
Series D	5/16/1991	\$ 108,985,000	\$ -
Series E	5/16/1991	\$ 112,500,000	\$ -
Series F	5/16/1991	\$ 114,500,000	\$ 75,000,000
Series G	5/16/1991	\$ 114,500,000	\$ 44,800,000
Series H	4/23/1998	\$ 75,000,000	\$ -
Series I	10/1/2001	\$ 89,250,000	\$ 89,250,000
Series J	10/1/2001	\$ 89,250,000	\$ 89,250,000
Series K	10/1/2001	\$ 108,985,000	\$ 108,985,000
Series L	7/22/2004	\$ 50,000,000	\$ 50,000,000
Series M	10/5/2005	\$ 50,000,000	\$ 50,000,000
Series N	9/24/2007	\$ 70,000,000	\$ 70,000,000
Series O	5/27/2008	\$ 110,000,000	\$ 110,000,000
<b>Total</b>		<b>\$ 1,501,470,000</b>	<b>\$ 687,285,000</b>

Net Utility Plant in Service: \$ 1,497,631,694 as of September 30, 2009

Available Cash at Trustee: \$ -

Total: \$ 1,497,631,694

Issuance Threshold (75% of Net Plant): \$ 1,123,223,771

Outstanding First Mortgage Bonds: \$ 687,285,000

**Allowed Issuance Capacity: \$ 435,938,771**

**Ratio of Debt to Net Plant: 45.9%**

Public Service Company of New Hampshire  
Net Earnings for Interest  
Twelve Months Ended September 2009

Description	12 Months Ended 09/30/09 (In thousands)
Operating Revenues	\$ 1,105,100
Operation Expenses	730,425
Maintenance Expense	73,648
Depreciation and Amortization Expense	124,425
Taxes other than Income Taxes	45,395
Other, Net	(3,270)
Total Expenses	970,623
Net Earnings for Interest	\$ 134,477
Annualized Bond Interest	\$ 33,929
Cash Coverage Ratio	3.96
Public Service Company of New Hampshire Indenture Test Ratio	2.00 : 1.00

Under Section 4 of the PSNH First Mortgage Indenture (August 15, 1978 as amended), no bonds may be issued unless the net earnings are at least twice the annual interest requirements of the company. Any failure to meet this coverage ratio test (on a pro forma basis, including the proposed new debt) would require that PSNH issue unsecured debt versus first mortgage bonds to meet any funding needs.

Public Service Company of New Hampshire  
Annualized Interest Charges on All Series Bonds  
For Twelve Months Ending September 2009

<u>Series</u>	<u>Interest</u>	<u>Amount</u> <u>Outstanding</u>	<u>Annualized</u> <u>Interest</u>
		(In thousands)	
1992 Series D PCRB (Seabrook)	6.0000%	\$ 75,000	\$ 4,500
1993 Series E PCRB (Seabrook)	6.0000%	44,800	2,688
2001 Series A PCRB	0.2600% 1	89,250	232
2001 Series B PCRB	4.7500%	89,250	4,239
2001 Series C PCRB	5.4500%	108,985	5,940
2004 Series L FMB, Due 2014	5.2500%	50,000	2,625
2005 Series M FMB, Due 2035	5.6000%	50,000	2,800
2007 Series N FMB, Due 2017	6.1500%	70,000	4,305
2008 Series O FMB, Due 2018	6.0000%	110,000	6,600
		<u>\$ 687,285</u>	<u>\$ 33,929</u>

1. Auction rate as of September 15, 2009