

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

Dated as of August 15, 1978

Amended and Restated as of June 1, 2011

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

September 30, 2012

**Summary:** Under the terms of the Amended and Restated First Mortgage Indenture, PSNH may issued 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	05/16/1991	\$ 172,500,000	\$ -
Series B	05/16/1991	\$ 170,000,000	\$ -
Series C	05/16/1991	\$ 66,000,000	\$ -
Series D	05/16/1991	\$ 108,985,000	\$ -
Series E	05/16/1991	\$ 112,500,000	\$ -
Series F	05/16/1991	\$ 114,500,000	\$ -
Series G	05/16/1991	\$ 114,500,000	\$ -
Series H	04/23/1998	\$ 75,000,000	\$ -
Series I	10/01/2001	\$ 89,250,000	\$ 89,250,000
Series J	10/01/2001	\$ 89,250,000	\$ 89,250,000
Series K	10/01/2001	\$ 108,985,000	\$ 108,985,000
Series L	07/22/2004	\$ 50,000,000	\$ 50,000,000
Series M	10/05/2005	\$ 50,000,000	\$ 50,000,000
Series N	09/24/2007	\$ 70,000,000	\$ 70,000,000
Series O	05/27/2008	\$ 110,000,000	\$ 110,000,000
Series P	12/14/2009	\$ 150,000,000	\$ 150,000,000
Series Q	05/26/2011	\$ 122,000,000	\$ 122,000,000
Series R	09/13/2011	\$ 160,000,000	\$ 160,000,000
<b>Total</b>		<b>\$ 1,933,470,000</b>	<b>\$ 999,485,000</b>

Net Utility Plant in Service: \$ 2,203,122,255 as of September 30, 2012

Available Cash at Trustee: \$ 7,042,202

Total: \$ 2,210,164,457

Issuance Threshold (75% of Net Plant): \$ 1,657,623,343

Outstanding First Mortgage Bonds: \$ 999,485,000

**Allowed Issuance Capacity: \$ 658,138,343**

**Ratio of Debt to Net Plant: 45.2%**

Public Service Company of New Hampshire  
Net Earnings for Interest  
Twelve Months Ended September 2012

Description	12 Months Ended 9/30/12
	(In thousands)
Operating Revenues	<u>\$ 998,677</u>
Purchased Power, Fuel and Transmission	320,006
Operations and Maintenance	274,095
Depreciation	86,885
Amortization of Regulatory Assets	(16,099)
Amortization of Rate Reduction Bonds	57,497
Energy Efficiency Programs	14,171
Taxes other than Income Taxes	62,222
Other, Net	<u>(1,659)</u>
Total Expenses	797,118
Net Earnings for Interest	<u><u>\$ 201,559</u></u>
Annualized Bond Interest	<u><u>\$ 43,507</u></u>
Cash Coverage Ratio	<u><u>4.63</u></u>
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 2012

<u>Series</u>	<u>Interest</u>	<u>Amount</u> <u>Outstanding</u>	<u>Annualized</u> <u>Interest</u>
		(In thousands)	
2001 Series A PCR B	0.2100%	1 \$ 89,250	\$ 187
2001 Series B PCR B	4.7500%	89,250	4,239
2001 Series C PCR B	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
2009 Series P FMB, Due 2019	4.5000%	150,000	6,750
2011 Series Q FMB, Due 2021	4.0500%	122,000	4,941
2011 Series R FMB, Due 2021	3.2000%	160,000	5,120
		<u>\$ 999,485</u>	<u>\$ 43,507</u>

1. Auction rate as of September 4, 2012